IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the preliminary placement document (the "**Preliminary Placement Document**") following this page and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Preliminary Placement Document. In accessing the Preliminary Placement Document, you have acknowledged and agreed to be bound by the following restrictions, terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. **You acknowledge that the Preliminary Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person. The offer is personal to each prospective investor and made on a private placement basis and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors. The public cannot subscribe to the issue since it is a private placement.**

The issue and distribution of this Preliminary Placement Document is being done in reliance on Chapter VIII and Schedule XVIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations"), as amended and Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

NOTHING HEREIN CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THE SECURITIES ARE OFFERED AND SOLD.

THE PRELIMINARY PLACEMENT DOCUMENT MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED, IN WHOLE OR IN PART, TO ANY PERSON IN THE UNITED STATES.

THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS WITH ANY REGISTRAR OF COMPANIES IN INDIA UNDER THE COMPANIES ACT, 2013 ("**COMPANIES ACT, 2013**"). THIS PRELIMINARY PLACEMENT DOCUMENT IS EXCLUSIVE TO THE RECIPIENT AND DOES NOT CONSTITUTE AN OFFER TO THE GENERAL PUBLIC TO SUBSCRIBE TO THE SECURITIES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT. THE PRELIMINARY PLACEMENT DOCUMENT SHALL BE FILED AS A PRIVATE PLACEMENT OFFER LETTER WITH THE STOCK EXCHANGES. THE PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN REVIEWED AND APPROVED BY ANY REGULATORY AUTHORITY IN INDIA OR ABROAD, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA, ANY REGISTRAR OF COMPANIES IN INDIA OR ANY STOCK EXCHANGE IN INDIA. THE PRELIMINARY PLACEMENT DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN INVITATION, OFFER OR SALE OF ANY SECURITIES TO THE PUBLIC IN INDIA.

You have accessed the Preliminary Placement Document on the basis that you have confirmed your representation to Gati Limited (the "**Company**") and the Book Running Lead Managers to the Issue that (1) you are the intended recipient of the attached Preliminary Placement Document; (2) you are located outside the United States, and are not acting on behalf of anyone located in the United States, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and to the extent that you purchase the securities described in the attached Preliminary Placement Document, you will be doing so pursuant to Regulation S under the Securities Act; (3) the securities offered hereby have not been registered under the Securities Act; (4) you are a "qualified institutional buyer" as defined under Regulation 2(1)(zd) in the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws; (5) you are not a resident in a country where delivery of the attached Preliminary Placement Document by electronic transmission may not be lawfully made in accordance with the laws of the applicable jurisdiction; and (6) that you consent to delivery of the Preliminary Placement Document by electronic transmission and any amendments and supplements thereto by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Book Running Lead Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute "directed selling efforts" (as defined in Regulation S under the Securities Act) in the United States or elsewhere.

You are reminded that the Preliminary Placement Document has been delivered to you on the basis that you are a person into whose possession the Preliminary Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you are not authorized to deliver this Preliminary Placement Document, electronically or otherwise, to any other person. The materials relating to the offering of securities referred to in the Preliminary Placement Document do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. You have agreed that your name and contact details shall be submitted to the Registrar of Companies and the Securities and Exchange Board of India, as required by the Companies Act, 2013.

The attached Preliminary Placement Document is being furnished in connection with an offering solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein. You are advised that the information in the attached Preliminary Placement Document is not complete and may be changed at any time without notice.

If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

The Preliminary Placement Document has been made available to you in electronic form. You are reminded that documents transmitted through this medium may be altered or changed during the process of transmission and consequently none of the Company and the Book Running Lead Managers or any of its employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Preliminary Placement Document distributed to you in electronic format and the hard copy version. A hard copy version will be provided upon request.

The Preliminary Placement Document is intended only for use by the addressee named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of the Preliminary Placement Document, you are hereby notified that any dissemination, distribution or copying of the Preliminary Placement Document is strictly prohibited. If you have received the Preliminary Placement Document in error, please immediately notify the sender or the Company by reply email and destroy any printouts of it.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Actions That You May Not Take: If you receive the attached Preliminary Placement Document by e-mail, you should not reply by e-mail to this message, and you may not purchase any Equity Shares by doing so. Any reply e-mail communications will be ignored or rejected.

Neither the Company nor any of its affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Preliminary Placement Document or their respective contents or otherwise arising in connection therewith.

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for QIBs on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sellany Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted through the Placement Document.

Preliminary Placement Document
Not for Circulation
Serial Number:[•]
Strictly Confidential

GATI LIMITED

Gati Limited (the "**Company**") was incorporated in the Republic of India with limited liability under the Companies Act, 1956 with CIN L63011TG1995PLC020121.The registered and corporate office of the Company is located at Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad-500084, Telangana, India. Telephone No.: +91 40 7120 4284; Fascimile No.: +91 40 2311 2316; Website: www.gati.com

The Company is issuing up to [●] Equity Shares of face value of ₹ 2 each (the "Equity Shares") at a price of ₹ [●] per Equity Share (the "Issue Price"), including a premium of ₹ [●] per Equity Share, aggregating approximately₹ [●] million (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014.

The Equity Shares are listed on BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**" and "**BSE**", referred to as the "**Stock Exchanges**"). In-principle approvals under Clause 24(a) of the Listing Agreement for listing of the Equity Shares have been received from both the BSE and the NSE on April 15, 2015 and April 15, 2015. Applications to the Stock Exchanges will be made for obtaining final listing and trading approvals for the Equity Shares offered through this Preliminary Placement Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our business or of the Equity Shares.

A copy of the Preliminary Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as hereinafter defined) has been delivered to the Stock Exchanges. A copy of the Placement Document (which includes disclosures prescribed under Form PAS-4) has been filed with the Stock Exchanges. The Company shall also make the requisite filings with the Registrar of Companies, Andhra Pradesh & Telangana at Hyderabad (the "**RoC**"), and the Securities and Exchange Board of India ("**SEBI**"), each within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014,as amended and SEBI Regulations. This Preliminary Placement Document has not been reviewed by SEBI, the Reserve Bank of India (the "**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by the qualified institutional buyers ("**QIBs**" as defined hereinafter). This Preliminary Placement Document has not been and will not be registered as a prospectus with the registrar of companies in India and will not be circulated or distributed to the public in India or any other jurisdiction. The Issue is meant only for QIBs by way of a private placement and will not constitute a public offer in India or any other jurisdiction.**THE COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.**

THE ISSUE AND DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO QIBs IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AND CHAPTER VIII OF THE SEBI REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY THE COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THIS ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND/OR OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" ON PAGE 36 OF THIS PLACMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE EQUITY SHARES IN ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT.

Invitations for subscription, offers and sale of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form and Confirmation of Allocation Note (as hereinafter defined). For further details, see the section "Issue Procedure"on page 111 of this Preliminary Placement Document. The distribution of this Preliminary Placement Document or the disclosure of its contents without prior consent of the Company to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document and/ or any of the documents referred to in this Preliminary Placement Document.

The Equity Shares in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales occur. For a description of these and certain further restrictions on offers, sales and transfers of the Equity Shares and distribution of this Preliminary Placement Document, see the sections "Notice to Investors", "Distribution and Solicitation Restrictions" and "Transfer Restrictions" on pages 2, 123 and 129, respectivelyof this Preliminary Placement Document.

The information on the website of the Company, any website directly or indirectly linked to the Company's website, or the website of the Book Running Lead Managers or their respective affiliates does not form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

Except as disclosed in "Capital Structure" on page 61, all of our Company's outstanding Equity Shares are listed on each of the Stock Exchanges. The closing price of the outstanding Equity Shares on the BSE and the NSE on April 13, 2015, was ₹ 240.50 and ₹ 240.75 per Equity Share, respectively.

This Preliminary Placement Document is dated April 15, 2015

BOOK RUNNING LEAD MANAGERS

MOTILAL OSWAL Investment Banking	SYSTEMATIX GROUP Investments Re-defined
Motilal Oswal Investment Advisors Private Limited	**Systematix Corporate Services Limited**

TABLE OF CONTENTS

NOTICE TO INVESTORS

The Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to the Company, its Subsidiaries and its associate companies (together the "**Group**") and the Equity Shares which are material in the context of this Issue. The statements contained in this Preliminary Placement Document relating to the Company, the Group and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to the Company, the Group and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to the Company. There are no other facts in relation to the Company, the Group and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, the Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Managers have not separately verified all the information contained in this Preliminary Placement Document (financial, legal or otherwise). Neither the Book Running Lead Managers nor any of its respective shareholders, employees, legal counsels, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the issue of Equity Shares or their distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or on any of its shareholders, employees, legal counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of the Company and the Group and the merits and risks involved in investing in the Equity Shares, issued pursuant to this Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than QIBs whose names are recorded by the Company prior to the invitation to subscribe to this Issue (in consultation with the Book Running Lead Managers or their representatives) and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited.

Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the U.S. Securities and Exchange Commission, any state securities commission in the U.S. or the securities commission of any non-U.S. jurisdiction or any other U.S. or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the U.S. and may be a criminal offence incertain other jurisdictions.

The Equity Shares have not been recommended by any foreign federal or state securities commission or regulatory authority. The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company and the Book Running Lead Managers which would permit an issue of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any other Issue-related materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Equity Shares in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended

("**Securities Act**"), and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described in the section "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 123 and 129 of this Preliminary Placement Document. Subscribers of the Equity Shares will be deemed to make the representations set forth in the sections "*Representations by Investors*" and "*Transfer Restrictions*" on pages 123 and 129, respectively of this Preliminary Preliminary Placement Document.

The information contained in this Preliminary Placement Document has been provided by the Company and other sources identified herein. Distribution of this Preliminary Placement Document to any person other than the investor specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company and the Book Running Lead Managers which would permit an issue of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares in the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any other Issue-related materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of the Company, the Group and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, neither the Company nor the Book Running Lead Managers are making any representation to any investor, or subscriber or purchaser of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares in this Issue, by such investor, or subscriber under applicable legal, investment or similar laws or regulations. Each subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Company under Indian laws, including Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations and is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, subscriber or purchaser of the Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from the Company and review information relating to the Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document. All references herein to "you" or "your" is to the prospective investors of the Issue.

The information on our Company's website, www.gati.com, any website directly and indirectly linked to the website of our Company or on the website of the Book Running Lead Managers, or their affiliates, neither constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information in certain other jurisdictions see the sections "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 123 and 129 of this Preliminary Placement Document.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" are to the propective investors in this Issue. By bidding for and/ or subscribing to any Equity Shares inthis Issue, you are deemed to have represented, warranted, acknowledged and agreed with the Company and the Book Running Lead Managers (“BRLMs”), as follows:

- You are a QIB as defined in Regulation 2(1) (zd) of SEBI Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the SEBI Regulations and undertake to comply with the SEBI Regulations, the Companies Act and all other applicable laws, including any reporting obligations;

- If you are not a resident of India, but a QIB, you are an Eligible FPI including an FII (including a sub- account other than a sub-account which is a foreign corporate or a foreign individual) having a valid and existing certificate of registration with SEBI under the applicable laws in India and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000("**FEMA 20**"), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You are investing in the Issue under the Foreign Portfolio Investment Scheme or the Portfolio Investment Scheme (each as defined hereinafter), as the case may be;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges;

- You have made, or are deemed to have made, as applicable, the representations set forth under the sections "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*"on pages 123 and 129, respectively of this Preliminary Placement Document;

- You are aware that the Equity Shares issued pursuant to the Issue have not been and will not be registered through a prospectus under the Companies Act (as defined hereinafter), the SEBI Regulations or under any other law in force in India. This Preliminary Placement Document has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by QIBs;

- You are aware that additional requirements would be applicable if you are in jurisdictions other than India, as set forth under the sections titled “*Distribution and Solicitation Restrictions*” and “*Transfer Restrictions*” on pages 123 and 129, respectively.You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You agree that neither the Company nor the BRLMs or any of its shareholders, directors, officers, employees, legal counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. Neither the BRLMs nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or this Issue; or (ii) if you have participated in or attended any of our Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such

Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information relating to our Company and this Issue that was not publicly available;

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company'sfuture financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. The Company assumes no responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public, and the Allotment of the same shall be on a discretionary basis at the discretion of the Company and the BRLMs;

- You are aware that if you are Allotted any Equity Shares, the Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI and you consent to such disclosures;

- You are aware that if you are Allotted more than 5% of the Equity Shares in this Issue, the Company is required to disclose your name and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures. Further, if you are one of the top 10 Equity Shareholders, the Company will be required to make a filing with the RoC within 15 days of the change in shareholding as per Section 93 of the Companies Act, 2013;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, the section "*Risk Factors*" on page 36 of this Preliminary Placement Document;

- In making your investment decision, you have (i) relied on your own examination of the Group and the terms of this Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of the Group, the Equity Shares and the terms of this Issue based solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by the Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in this Issue;

- Neither the BRLMs nor any of their shareholders, directors, officers, employees, legal counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against the Company or the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private Preliminary Placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to the Company and/or the BRLMs or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resell or distribute;

- When you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the SEBI Regulations) of the Company or any of its affiliates and are not a person related to the promoter, either directly or indirectly and your Bid does not directly or indirectly represent the 'promoter', or 'promoter group', (as defined under the SEBI Regulations) or person related to promoters of the Company;

- You agree that in terms of Section 42(7) of the Companies Act, 2013, we shall file the list of QIBs (to whom this Preliminary Placement Document are circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Preliminary Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You have no rights under a shareholders' agreement or voting agreement with the promoter or persons related to the promoter, no veto rights or right to appoint any nominee director on the Board of Directors of the Company other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the promoter;

- You will have no right to withdraw your Bid after the Bid/Issue Closing Date;

- You are eligible to apply and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to this Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law or regulation;

- The Bid made by you would not result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**");

- To the best of your knowledge and belief, your aggregate holding, together with other QIBs in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50 % of this Issue. For the purposes of this representation:

  (a) the expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

  (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares is issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of clause 24(a) of the Listing Agreement, for listing and admission of the Equity Shares on the Stock Exchangeswere made and approval has been received from the Stock Exchanges, and (ii) the applications for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. The Company shall not be responsible for any delay or non-receipt of such final approval or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Preliminary Placement agreement with the Company, whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, agreed to manage this Issue and use their reasonable efforts as agents of the Company to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Preliminary Placement Document are exclusively the responsibility of the Company, and neither the BRLMs nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or the Company or any of its affiliates or any other person, and neither the BRLMs nor the Companynor any other person will be liable for your decision to participate in this Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You understand that the BRLMs do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

- You are eligible to invest in India under applicable law, including the FEMA 20, as amended and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You agree that any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Hyderabad, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue;

- You agree to indemnify and hold the Company and the BRLMs and their respective officers, directors, affiliates, associates and representatives harmless from any and all costs, claims, liabilities and expenses (includinglegalfeesandexpenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that the Company, the BRLMs, their affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the BRLMs on their own behalf and on behalf of the Companyare irrevocable;

- You agree that each of the representations, warranties, acknowledgments and agreements setout above shall continue to be true and accurate at all times upto and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue;

- You understand that the Equity Shares will, when issued pursuant to the Issue, be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive all dividends and other distributions declared, made or paid in respect of the Equity Shares after the date of this Issue;

- You understand that the Equity Shares have not been and will not be registered under the Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on

Regulation S and the applicable laws of the jurisdictions where those offers and sales occur;

- You are, at the time the Equity Shares are purchased pursuant to Regulation S, located outside of the United States (within the meaning of Regulation S) and you are not an affiliate of our Company, or a person acting on behalf of our Company or such affiliate; and

- You are purchasing the Equity Shares in offshore transactions meeting the requirements of Rule 903 or 904 of Regulation S and you shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

OFFSHORE DERIVATIVE INSTRUMENTS (P-NOTES)

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended ("**FPI Regulations**"), FPIs (other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II FPIs (as defined in the FPI Regulations) by virtue of their investment manager being appropriately regulated unless such FPIs have entered into an offshore derivative instrument with an FII prior to January 7, 2014 or were registered as clients of an FII prior to January 7, 2014), including the affiliates of the BRLMsmay issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities subject to compliance with 'know your client' requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company. The Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations of or claims on the BRLMs. FPI affiliates (other than Category III FPI and unregulated broad based funds which are classified as FPI by virtue of their investment manager being appropriately regulated) of the BRLMs may purchase, to the extent permissible under law, Equity Shares in this Issue, and may issue P-Notes in respect thereof. Affiliates of the BRLMs which are Eligible FPIs or FIIs may purchase, to the extent permissible under law, the Equity Shares in this Issue, and may issue P-Notes in respect thereof.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10% or above of our post-Issue Equity Share capital. As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event an investor has investments as a FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges does not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Preliminary Placement Document;

(2) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of the Company, its Promoter, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in this Issue, references to the 'Company, 'Gati' or 'Issuer'are to Gati Limited 'and references to 'we', 'us' or 'our' are to our Company and its Subsidiaries on a consolidated basis including entities controlled through contractual arrangements, except as the context otherwise requires.

In this Preliminary Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to, and references to '₹ ', 'INR', '₹ ', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "lakh" or "lac" mean "100 thousand" and the word "million" means "10 lakh" and the word "crore" means "10 million" or "100 lakhs" and the word "billion" means "1,000 million" or "100 crores". All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Our financial year ends on March 31 of each year from March 31, 2014. Prior to changing our accounting period, our financial year ended on June 30 every year. Accordingly, all references to a Fiscal 2014 are for the nine month year from July 1, 2013 to March 31, 2014 and other fiscal years for the period July 1 to June 30 of the respective years. The Audited Consolidated Financial Statements of our Company have been prepared in line with the accounting principles generally accepted in India and have been audited by the Auditors in accordance with the applicable generally accepted auditing standards in India prescribed by the ICAI.

The Company publishes its financial statements in Indian Rupees. Unless the context otherwise requires, all financial data in this Preliminary Placement Document are derived from our Company's Audited Consolidated Financial Statements and Condensed Consolidated Financial Statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards (the "**IFRS**") and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. See the section "*Risk Factors*"- significant differences exist between Indian GAAP, used throughout our financial information and other accounting principles with which investors may be more familiar on page 36 of this Preliminary Placement Document.

The Condensed Consolidated Financial Statements has been prepared in accordance with the requirements of Accounting Standards (AS) 25 notified under the Companies Act, 1956 read with general circular 8/2014 dated April 4, 2014 issued by Ministry of Corporate Affairs, have been reviewed by our Auditors in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the ICAI. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

In this Preliminary Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information included in this Preliminary Placement Document regarding market position, growth rates and other industry data pertaining to our businesses consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which we operate. Unless stated otherwise statistical information included in this Preliminary Placement Document pertaining to the various sectors in which we operate has been reproduced from trade, industry and government publications and websites. We confirm that such information and data has been accurately reproduced, and that as far as they are aware and are able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

Neither we nor the BRLMs have independently verified this data, nor do we or the BRLMs make any representation regarding the accuracy of such data. Similarly, while the Company believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the BRLMs can assure potential investors as to their accuracy. Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data.

Similarly, while the Company believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the BRLMs can assure potential investors as to their accuracy. Internal estimates and surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither we nor the BRLMs make any representation as to the accuracy and completeness of information based on trade, industry and government publications and websites, data reports compiled by government bodies, professional organisations and analysts, or from other external sources.

Certain information in the section "Industry Overview" has been derived from various Indian government publications / industry reports and reports prepared by NSDC, Accel Partners and CII and has not been prepared or independently verified by us, the BRLMs or any of our or their respective affiliates or advisors.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. These statements express views of the management of the Company and expectations based upon certain assumptions regarding trends in the Indian and international financial markets and regional economies, the political climate in which the Company operates and other factors. Prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward- looking statements.

All statements regarding the Company's or the Groups' expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's/ group's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by the Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of the Companyto be materially different from any of the forward-looking statements include, among others:

- general, political, social and economic conditions in India and elsewhere;
- our ability to manage growth effectively;
- our ability to effectively manage our business
- volatility in cost of raw materials;
- our ability to compete effectively;
- technological changes
- changes in laws and regulations and governmental policies;
- availibility of adequate debt and equity financing at reasonable terms;
- changes in Indian or international interest rates; and
- our dependence on, and ability to retain, our senior management team.

Additional factors that could cause actual results, performance or achievements of the Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors",* "*Industry Overview*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 36, 75, 82 and 64 respectively of this Preliminary Placement Document. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.The Company and the BRLMs expressly disclaim any obligation or undertaking to release publically any updates or revision to any forward looking statements contained herein to effect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statements are based.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements. The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amoung other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of the Company and the industry in which we operate. In addition even if the result of operations, financial conditions, liquidity and dividend policy of the Company and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

ENFORCEMENT OF CIVIL LIABILITIES

We are a limited liability company incorporated under the laws of India. Except two Directors, all the Directors, and all the key managerial personnel named herein are residents of India and all or a substantial portion of the assets of the Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon the Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908 (the "Civil Procedure Code") on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Under Section 14 of the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; but such presumption may be displaced by proving want of jurisdiction.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code can be enforced in India (i) by instituting execution proceedings; or (ii) by instituting a suit on such judgment.

Foreign judgments may be enforced by proceedings in execution in certain casesHowever, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or repatriate outside India any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that Indian courts and/ or authorities would not take a longer amount of time to adjudicate and conclude similar proceedings in their respective jurisdictions.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$1.00), for the periods indicated. The exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On April 14, 2015 the exchange rate (RBI reference rate) was ₹ 62.3885 to US$ 1.00. (Source: www.rbi.org.in)

Year	Period end	Average[1]	High[2]	Low[3]
Financial Year Ended:		(₹ Per US$)		
March 31, 2013	54.39	54.45	57.22	50.56
March 31, 2014	60.10	60.50	68.36	53.74
March 31, 2015	62.59	61.15	63.75	58.43
Quarter ended:				
September 30, 2014	61.61	60.59	61.61	59.72
December 31, 2014	63.33	62.00	63.75	61.04
March 31, 2015	62.59	62.25	63.45	61.41
Month ended:				
October 31, 2014	61.41	61.34	61.75	61.04
November 30, 2014	61.97	61.70	62.10	61.39
December 31, 2014	63.33	62.75	63.75	61.85
January 31, 2015	61.76	62.23	63.45	61.41
February 28, 2015	61.79	62.04	62.43	61.68
March 31, 2015	62.59	62.45	62.82	61.82

[1] *Average of the official rate for each working day of the relevant period.*

[2] *Maximum of the official rate for each working day of the relevant period.*

[3] *Minimum of the official rate for each working day of the relevant period.*

(*Source: www.rbi.org.in*)

DEFINITIONS AND ABBREVIATIONS

The Company has prepared this Preliminary Placement Document using certain definitions and abbreviations which you should consider when reading the information contained herein.

Capitalised terms used in this Preliminary Placement Document shall have the meaning set forth below, unless specified otherwise or the context indicates or requires otherwise, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company Related Terms

Term	Description
"Company" or "our Company" or "Issuer" or "Gati"	Gati Limited, a public limited company, incorporated under the Indian Companies Act, 1956 and having its registered and corporate office at Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad 500084, India It is clarified that references to "us", "we" or "our" are to our Company, together with its Subsidiaries and associate companies on a consolidated basis
Articles/Articles of Association	Articles of association of the Company, as amended from time to time
Audit Committee	The audit committee of the Board of Directors described in the section titled "*Board of Directors and Key Managerial Personnel*" beginning on page 98.
Auditors	The statutory auditors of the Company, M/s. R.S. Agarwala & Co., Chartered Accountants, 28, Black Burn Lane, Kolkata 700012, India
Associate	The Associate of our Company is listed below: 1. Gati Intellect Systems Limited; 2. TCI Finance Limited; 3. Giri Roadlines & Commercial Trading Private Limited; 4. Jubilee Commercials & Trading Private Limited; 5. Coast to Coast Shipping Limited; 6. Gati Cargo Management Services Limited. 7. TCI Hi-ways Private Limited 8. TCI Industries Limited; 9. Mahendra Kumar Agarwal & Sons (HUF); 10. ITAG Infrastructure Limited; 11. ITAG Business Solutions Limited; 12. Gati (Thailand) Limited; 13. Mahendra Investment Advisors Private Limited; 14. Amrit Jal Ventures Private Limited. 15. Gati Ship Limited (GSL) 16. Gati Academy
Board / Board of Directors	The board of directors of our Company or duly constituted committee thereof
Audited Consolidated Financial Statements	Audited Consolidated Balance Sheet, Profit and Loss Account, Cash Flow and attendant schedules and notes to consolidated statements for the period ended and as on March 31, 2014, June 30, 2013, June 30, 2012
Condensed Consolidated Financial Statements	Unaudited limited reviewed condensed consolidated balance sheet as at December 31, 2014, condensed consolidated statement of profit and loss and condensed consolidated statement of cash flows of our Group, for the nine months period then ended and select explanatory notes to condensed consolidated financial statements for the nine months ended December 31, 2014, condensed consolidated statement of profit and loss and condensed consolidated statement of cash flows of our Group, for the nine months ended December 31, 2013, including the select explanatory notes (collectively or individually, as the case may be).
Directors	The directors of our Company
Equity Shares	Equity shares of our Company having face value of ₹ 2 each
Gati ESOP	Employee Stock Option Plan 2003, 2006 and 2007
Group	Our Company, Subsidiaries and Associates
KWE-India	Kintetsu Express (India) Private Limited
KWE- Singapore	Kintetsu World Express (S) Pte Limited

Term	Description
Memorandum/Memorandum of Association	Memorandum of association of the Company, as amended from time to time
MCA	Ministry of Corporate Affairs
Promoter	The Promoter of our Company, being Mr. Mahendra Agarwal.
Promoter Group	Unless the context requires otherwise, the entities forming part of our promoter group in accordance with SEBI Regulations and which are disclosed by our Company to the Stock Exchanges from time to time
Registered Office	The registered office of the Company located at Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad 500084, India
Registrar of Companies/RoC	Registrar of Companies, Andhra Pradesh & Telangana at Hyderabad
Subsidiaries	Following are the direct and step down subsidiaries of Company: 1. Gati-Kintetsu Express Private Limited, (Gati-KWE) 2. Gati Kausar India Limited, (Gati Kausar) 3. Gati Import Export Trading Limited, (GIETL or Gati Import Export) 4. Zen Cargo Movers Private. Limited, (Zen Cargo Movers) 5. Gati Logistics Parks Private Limited, 6. Gati Projects Private. Limited, 7. Gati Asia Pacific Pte Limited, 8. Gati Hong Kong Limited, and 9. Gati Cargo Express (Shanghai) Co. Limited
"We" /" us" / "our" / "our Group"	Our Company, its Subsidiaries and Associates, except as the context otherwise requires.

Issue Related Terms

Term	Description
Allocated /Allocation	The allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of the Application Form submitted by them, by the Company in consultation with the Book Running Lead Managers and in compliance with Chapter VIII of the SEBI Regulations
Allot/Allotment/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares to be issued pursuant to this Issue
Allottees	QIBs to whom Equity Shares are issued and Allotted pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which QIB shall submit a Bid for the Equity Shares in this Issue
Bid(s)	Indication of interest of a QIB, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares pursuant to this Issue
Bid/Issue Closing Date	[●], 2015, which is the last date up to which the Application Forms shall be accepted
Bid/Issue Opening Date	April 15, 2015, which is the date on which the Company (or the Book Running Lead Managers on behalf of the Company) shall commence the acceptance of duly completed Application Forms for this Issue
Bid/Issue Period/Bidding Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids including any revision thereof
Bidder	Any prospective investor, a QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers/ BRLMs	Book running lead managers to this Issue, namely, Motilal Oswal Investment Advisors Private Limited and Systematix Corporate Services Limited
CAN/Confirmation of Allocation Note	Note or advice or intimation to the QIBs confirming the Allocation of Equity Shares to such QIBs after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such QIBs
Closing Date	The date on which Allotment of Equity Shares pursuant to this Issue shall be made, i.e. on or about [●], 2015
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to this Issue which shall be finalised by the Company in consultation with the Book Running Lead Managers
Designated Date	The date of credit of the Equity Shares to the QIB's demat account, as applicable to the respective QIBs

Term	Description
Escrow Account	The non-interest bearing, no-lien, current bank account entitled "*Gati Limited – QIP Escrow Account*" with regard to any money received towards the subscription of the Equity Shares, opened with the Escrow Bank, subject to the terms of the EscrowAgreement
Escrow Agreement	Agreement dated April 10, 2015, entered into amongst the Company, the Escrow Bank and the Book Running Lead Managers for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Axis Bank Limited
Floor Price	The floor price of ₹ 236.31 which has been calculated in accordance with Chapter VIII of the SEBI Regulations. In terms of the SEBI Regulations, the Issue Price cannot be lower than the Floor Price.
Issue	The offer, issue and Allotment of [●] Equity Shares of face value of ₹ 2 each at a price of ₹ [●], including a premium of ₹ [●] per Equity Share aggregating approximately ₹ [●] million, to QIBs, pursuant to Chapter VIII of the SEBI Regulations and the provisions of the Companies Act, 2013. who are outside of the United States acquiring Equity Shares in an offshore transaction in reliance on Regulation S.
Issue Price	₹ [●] per Equity Share
Issue Size	The Issue of [●] Equity Shares aggregating approximately ₹ [●] million
Listing Agreement(s)	The agreement(s) entered into between the Company and the Stock Exchanges in relation to listing of the Equity Shares to be issued pursuant to this Issue on the Stock Exchanges
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in this Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The total proceeds of this Issue after deduction of Issue expenses including fees, commission and other expenses.
Pay-in Date	The last date specified in the CAN sent to the QIBs for payment of application monies by the successful Bidders
Placement Agreement	Agreement dated April 15, 2015 entered into amongst the Company and the Book Running Lead Managers
Placement Document	The placement document to be issued by our Company in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013
Preliminary Placement Document	This preliminary placement document dated April 15, 2015 issued by the Company in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
QIBs or Qualified Institutional Buyers	Qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI Regulationsand not excluded pursuant to Regulation 86 of the SEBI Regulations
QIP	Qualified institutions placement to QIBs under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Regulation S	Regulation S under the Securities Act
Relevant Date	April 15, 2015 which is the date of the meeting of the QIP committee duly authorised by the Board, deciding to open this Issue
Securities Act	The United States Securities Act of 1933, as amended and the related rules and regulations promulgated thereunder

Conventional and General Terms/ Abbreviations

Term/Abbreviation	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited

Term/Abbreviation	Description
Category II Foreign Portfolio Investor	An FPI registered as a category II foreign portfolio investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor	An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations
CCPS	Cumplusorily Convertible Preference Shares
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIO	Chief Information Officer
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 2013 or the Companies Act, 1956, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections, as amended
Competition Act	The Competition Act, 2002, as amended
CY	Calendar Year
Delisting Regulations	Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended
Depository	A body corporate registered under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act
DFSA	Dubai Financial Services Authority
DIPP	The Indian Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identity
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECS	Electronic Clearing Service
Eligible FPIs	FPIs that are eligible to participate in the Issue and does not include Category III Foreign Portfolio Investors (who are not eligible to participate in the Issue)
EGM	Extraordinary General Meeting
EPS	Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
Euro / €	Euro, the legal currency of the Europen Union
FCCBs	Foreign Currency Convertible Bonds
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. 1 of 2014, effective from April 17, 2014, as amended from time to time
FEMA	The Foreign Exchange Management Act, 1999 together with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FIIs	Foreign institutional investors as defined under the SEBI FPI Regulations
Financial Year or Fiscal Year	Period of 12 months ended 31 March of that particular year, unless otherwise stated
FIPB	Foreign Investment Promotion Board of the Ministry of Finance, Government of India
FMCG	Fast Moving Consumer Goods
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	A person who satisfies the eligibility criteria prescribed under Regulation 4 of the FPI Regulations and has been registered under Chapter II of the FPI Regulations, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act.

Term/Abbreviation	Description
	Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be an FPI till the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles of India
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India, central or state, as applicable
GST	Goods and services tax; a proposed reform to Indian tax laws relating to indirect taxes on goods and services
HNIs	High net worth individuals
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IND-AS	Indian accounting standards converged with IFRS, which has been proposed for implementation by the ICAI
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
ISO	International Standards Organisation
IT	Information Technology
IT Act	The Income Tax Act, 1961, as amended
MAT	Minimum alternate tax
MCA	The Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
Mn/Million	Million
NEAT	National Exchange for Automated Trading
NEFT	National electronic fund transfer
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
NRE	Non-resident (external)
NRI	Non-resident Indian
NRO	Non-resident Ordinary
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCD	Optionally Convertible Debentures
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
PBT	Profit before tax
PMLA	The Prevention of Money Laundering Act, 2002, as amended
Prudential Norms	Prudential norms on income recognition, asset classification and provisioning pertaining to advances issued by the RBI on July 1, 2013
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
₹ /Rupees/INR/₹	Indian Rupees, The official currency of India
SCR(SECC)Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, notified by SEBI
SCRA	Securities Contracts (Regulation) Act 1956, as amended
SCRR	Securities Contracts (Regulation) Rules 1957, as amended
SEBI	The Securities Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended

Term/Abbreviation	Description
SEBI FII Regulations	The Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended
SEBI Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEC	United States Securities and Exchange Commission
SENSEX	Index of 30 stocks traded on BSE representing a sample of large and liquid listed companies
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
UAE	United Arab Emirates
U.K.	United Kingdom
U.S. $/U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
USA/U.S./United States	The United States of America
VCF	A Venture Capital Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 or the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as the case may be

Technical and Industry Terms

Term/Abbreviation	Full Form/Description
Air Transit Centre	Air Transit Centers are domestic locations, generally in close proximity of airports, that Gati uses as transfer point to lodge/retrieve packages travelling on air mode to their intended destination.
BFSI	Banking, Financial services and Insurance
CAGR	Compound Annual Growth Rate
CHA	Custon House Agent
COD	Cash on Delivery
Container Load	Freight that can be carried in a standard ocean shipping container
Customer Convenience Centre Owned (CCCO)	Company-Owned Operating unit intended for booking, pick-up, delivery and related services in defined geographical territory
DFCCI	Dedicated Freight Corridor Corporation of India
EDC	Express Distribution Centre
EOR	Exporter of Record
Extra Service Stations (ESS)	A location which is outside direct serviceable area of any operation unit. Generally serviceable area are defined within 25 Km from operating unit or city limits of operating unit
F&B Industry	Food and Beverage Industry
Franchisees	An outsourced operating unit intended to do booking and delivery as per defined processes of organization in assigned geographical territory.
Full Truckload	Entire load carrying capacity of the truck from one location to another
GMV	Gross Merchandise Value
GPS	Global Positioning System
GSL	Gati Ship Limited
IOR	Importer on Record

Term/Abbreviation	Full Form/Description
IRCTC	Indian Railway Catering and Tourism Corporation
LTL	Less-than Truckload shipping is the transportation of relatively small freight
NCR	National Capital Region
NSDC	National Skill Development Centre
NVOCC	Non-Vessel Operating Common Carrier, A Non vessel operating common carrier is a cargo consolidator who does not own any vessel, but acts as a carrier legally by accepting required responsibilities of a carrier who issues his own bill of lading (or airway bill), which is called House bill of lading under sea shipment and House airway bill under air shipment.
QSR	Quick Service Restaurants
Rail Transit Centre	Rail Transit Centers are domestic locations, generally in close proximity of rail yards, that Gati uses as transfer point for rail services.
RFID	Radio-frequency identification
Surface Transit Centre	Surface Transit Centers are domestic locations, that Gati uses for sorting and connecting packages for their intended destination under hub and spoke model.
TMS	Transportation Management System
VAS	Value Added Services
WMS	Warehouse Management System
Zonal Offices	Our offices situated in north, south, east and west zones of India
3PL	Third Party Logistics
4PL	Fourth Party Logistics

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Preliminary Placement Document where these disclosures, to the extent applicable, have been provided.

Sr No	Disclosure	Page of this Preliminary Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the Company indicating both registered office and corporate office	Cover Page
b.	Date of incorporation of the Company	158
c.	Business carried on by the Company and the Subsidiaries with the details of branches or units, if any.	82,92
d.	Brief particulars of the management of the Company	98
e.	Names, addresses, DIN and occupations of the Directors	98
f.	Management's perception of risk factors	36
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory due, debentures and interest thereon, deposits and interest thereon, loan from bank or financial institution and interest thereon.	Not Applicable, Refer to page 152
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	163
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution	29
b.	Date of approval of the shareholders to the offer of securities through postal ballot in the general meeting, authorizing the offer of securities;	29
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security	29
d.	Price at which the security is being offered including the premium, if any, along with justification of the price	29
e.	Name and address of the valuer who performed valuation of the security offered	Not Applicable
f.	Amount which the company intends to raise by way of securities	59
g.	Terms of raising of securities:	
(i)	Duration, if applicable	Not Applicable
(ii)	Rate of dividend	Not Applicable
(iii)	Rate of interest	Not Applicable
(iv)	Mode of payment	Not Applicable
(v)	Repayment	Not Applicable
h.	Proposed time schedule for which the offer letter is valid	Not Applicable
i.	Purposes and objects of the Issue	59
j.	Contribution being made by the Promoters or Directors either as part of the issue or separately in furtherance of such objects	Not Applicable
k.	Principle terms of assets charged as security, if applicable	Not Applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**	
a.	Any financial or other material interest of the Directors, Promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons	102
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action	155
c.	Remuneration of Directors (during the current year and last three financial years)	104
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided	F-27
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	32-35
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of Company and all of the Subsidiaries. Also if there were any	156

Sr No	Disclosure	Page of this Preliminary Placement Document
	prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the Company and all of the subsidiaries	
g.	Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company	156
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of the Company in the following manner in a tabular form:	61
(i)(a)	the authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	61
(b)	size of the present offer	61
(c)	paid up capital	61
(A)	after the offer	61
(B)	After conversion of convertible instruments (if applicable)	Not Applicable
(d)	Share premium account (before and after the offer)	61
(ii)	the details of the existing share capital of the Company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration	61
	Provided that the Company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case	61
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter	159
c.	Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	63, 159
d.	A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of circulation of offer letter	31
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter	159
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Company	Not Applicable
5.	**A DECLARATION BY THE DIRECTORS THAT**-	
a.	the company has complied with the provisions of the Act and the rules made thereunder	160, 161
b.	the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government	160, 161
c.	The monies received under the offer shall be used only for the purposes and objects indicated in this Preliminary Placement Document.	160, 161

SUMMARY OF BUSINESS

Overview

We are one of the leading express distribution services providers in India. Our company along with its subsidiaries provides surface and air express services, e-Commerce logistics, supply chain solutions, cold chain transportation, international freight forwarding, and customs clearance services. We believe, we are one among the few express distribution companies in India that offer comprehensive multi-modal (land, ocean, air and rail) freight services to over 9,000 customers spread across the automotive, healthcare, engineering, apparel and consumer durables industries. Founded in 1989 as a cargo management company, we have since expanded our operations to become an integrated logistic solution provider providing superior service and reach advantage on its flagship business along with niche value additions such as contract logistics, Importer/ Exporter of Record, and Inventory Management. We believe our significant experience and execution capabilities have enabled us to develop firm relationships with a diverse customer base and offer services that are tailored to meet customer-specific requirement.

We have a strong network of more than 550 operating units in over six countries in the Asia Pacific Region. Headquartered in Hyderabad, our domestic operations are controlled through 4 zonal offices, 16 express distribution centres, 61 distribution warehouses, 32 air transit centres, 7 rail transit centres, 133 customer convenience centre owned (depot), 264 customer convenience centres franchised (franchisees), one centralised call centre, with combined warehousing space of about three million square feet across the country. We serve this network with a fleet of more than 5,000 vehicles and partner with over 2,700 business associates for first and last mile pick-up and delivery services, apart from associates providing line-haul and feeder vehicles that helped us deliver more than 66.65 million packages in Fiscal 2015.

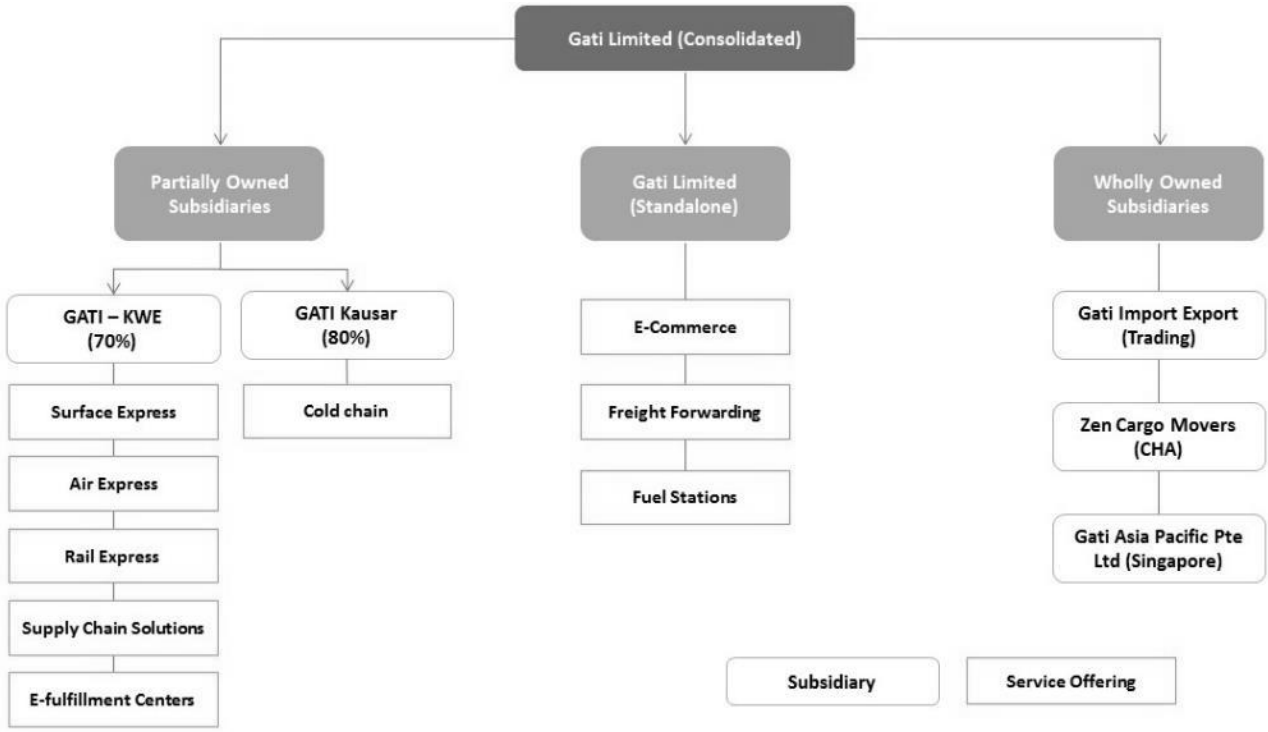
We operate our four business verticals i.e. express distribution and supply chain solutions, e-Commerce logistics, cold chain solutions and other logistics services through our Company and our subsidiaries where we have a controlling stake.

We have over the years received several awards in recognition of our business and operations, including, *Best Road Service Provider of the Year*, *Supply Chain Innovation of the Year* and *ELSC (Express Logistics & Supply Chain) Company of the Year* awarded by 8th Express Logistics & Supply Chain Conclave*; Scale Award for Supply Chain & Logistics Excellence; Top Assessee of Service Tax* awarded by the Committee of Commissioners, Hyderabad, *Best CSR Project for Sustainable Development* in Fiscal 2015. Gati-KWE and Gati Kausar India Limited have received certificates and accreditations in respect of its management systems comprising of quality management system conforming to ISO 9001:2008.

Our accounting year, prior to June 30, 2013 was between July 1 and June 30, subsequently in Fiscal 2014, we changed the year ending to March due to changes in extant laws. Consequently the numbers for Fiscal 2014 are for nine months, i.e. July 1, 2013 to March 31, 2014. For nine months ended December 31, 2014, Fiscal 2014 (nine months), Fiscal 2013 and Fiscal 2012, our total income was ₹ 12,429.82 million; ₹ 11,271.81 million; ₹ 12,895.13 million and ₹ 12,890.75 million respectively.

Organisation Chart

The following is the organization chart of our major subsidiaries:



Our Competitive Strengths

We believe the following are our principal competitive strengths which we expect will continue to help us move in the direction that we have set ourselves through our business strategy and help achieve and maintain leadership positions in our current areas of operation and areas we plan to expand into.

Integrated service offering

We provide a broad range of logistics services to our customers seeking to use a variety of transportation options to optimize their supply-chain needs. Eleven of our top-20 customers use three or more of our services. Through our flagship express distribution service, in which Kintetsu World Express – Japan-based global logistics provider, owns a 30% stake, we offer time-sensitive surface, air and rail services and supply chain solutions across India. The increasing scale and complexity of our customers' operations has driven demand for logistics providers that can offer a full spectrum of logistics services across multiple geographies. Our ability to fulfil their requirements by being an end-to-end logistics partner allows our customers to reduce the number of service providers they engage, thus saving them time and money and ultimately simplifying their operations, while also providing enhanced cost competitiveness. Many of our customers currently use us for only a portion of their overall logistics needs. By offering additional services and value-additions that can be integrated with our existing capabilities, we believe we will attract additional business from existing customers.

To capitalise on the burgeoning e-Commerce industry in India, and leveraging on our experience of more than two decades, we offer a complete suite of e-Commerce logistics solutions including direct receipt of orders from vendors; product inspection; demand planning; pick & pack services; order fulfilment; handling returns, re-labelling items which form a part e-fulfilment services. Our e-Commerce solutions are supported by value-added services like Cash on Delivery and Reverse logistics (Return to Origin)

Through our subsidiary Gati Kausar, we offer customized solutions for temperature sensitive shipments to consumer foods, QSR, pharmaceuticals; retail and agri-food sectors. Through use of specialized fleet of over 200 refrigerated vehicles and customized technology, prioritising customer-specific needs within food and drug safety protocols remains our principal goal at Kausar.

We believe that our comprehensive service offerings and established track record as an integrated end-to-end logistics services provider provide us with a significant competitive advantage.

Strong network coverage and wide geographical reach

To support our growth initiatives, we have established an integrated branch network that has helped to optimize operational costs and improve our ability to deliver our services to our customers effectively. We operate through more than 550 operating units in over six countries. We serve this network with a fleet of more than 5,000 vehicles partner with over 2,700 business associates for first and last mile pick-up and delivery services, apart from associates providing line-haul and feeder vehicles that helped us deliver more than 66.65 million packages in Fiscal 2015. Our operations are controlled through 4 zonal offices, 16 express distribution centres, 61 distribution warehouses, 32 air transit centres, 7 rail transit centres, 133 customer convenience centre owned (depot), 264 customer convenience centres franchised (franchisees), a centralised call centre and about three million sq. ft. of warehousing space across the country. These operating units help us provide wide geographical reach with last mile connectivity, which is critical to the success of our express distribution and e-Commerce logistics business. Our e-Commerce logistics offerings have an extensive reach. We have also introduced several checks and processes for achieving procedural discipline to ensure on-time delivery to supplement our strong network coverage. The express distribution segment is characterized by high barriers to entry, such as the time, cost and infrastructure required to develop the operational capabilities necessary to handle package movements such as ours, substantial industry regulatory requirements and significant capital investments required over time to build a robust hub-and-spoke network of operating units. Our organization combines the benefits of this established pan-India network with the local market knowledge of our branch-level employees to provide our customers with extensive reach to service their requirements.

Information Technology capabilities

Information technology is a critical differentiator in the logistics industry, providing the crucial ability to track the locations of large numbers of shipments along the supply chain. We have developed our proprietary enterprise resource planning software, GEMS (Gati Enterprise Management Systems). The advanced IT system ensures sharing of operations data between our operations, our customers and our service providers in order to facilitate warehouse management, route optimization, freight consolidation, back office functions and other services. We believe our technology platforms enable us to enhance profitability, optimize decision-making, and create more streamlined and cost-effective processes for our customers. The quality of our information technology capabilities has garnered us industry awards for technology innovation and the *CIO Hall of Fame award* by virtue of being the perseverant winner of the CIO 100 Award for the fourth consecutive year and recognition in technology publications like CIO, Information Week and Dataquest.

Long term relationships with clients

We cater to large corporates across various industry sectors. For our express distribution and supply chain solutions, we count leading players from the automobiles, electronics, pharmaceutical and FMCG sectors as our long standing customers. Within a short time since its inception, our e-Commerce logistics offering has some of the largest e-Commerce players using us as a logistics partner and with these relationships we delivered 6 million packages in Fiscal 2015, which was an increase of 149.2% over the corresponding twelve month period (nine months of Fiscal 2014 and three months of Fiscal 2013 on account of change in accounting year), underscoring the trust that the e-Commerce players continue to repose in us. Our cold chain solutions, with their customized offerings has allowed us to build relationships with more than 50 clients across QSR, F&B Industry, retail and pharmaceutical industries. We focus on building and maintaining long-term customer relationships. We serve over 9,000 customers and cross-selling package and supply chain services across our customer base is an important growth mechanism for us. We have built a leading and trusted brand that stands for quality service and reliability.

Most of our large customers (in terms of revenue and volumes) continue to engage our service and during Fiscal 2013, Fiscal 2014 and 9M Fiscal 2015, our top twenty customers, by revenues, constituting approximately 12.05%, 12.51% and 12.42% of our total customer base, contributed approximately ₹ 1,533 million, ₹ 1,397 million and ₹ 1,532 million of our total revenues, respectively, which we believe is a testament of our abilities to service and retain customers.

Professional and experienced Board and management team

The Company has an experienced Board that oversees and guides our strategy and operations. Our Board has constituted several sub-committees including the Risk Management Committee, the Audit Committee and the Stakeholders' Relationship Committee for timely decision-making and to ensure effective governance. Our directors include individuals experienced in a wide range of subjects relevant to our business including logistics FMCG, hospitality, healthcare, telecom, law, finance and international trade. Our Promoter Mr. Mahendra Agarwal has three decades of experience in logistics and has memberships and leadership positions on several industry bodies. Similarly, the members of our experienced management team and our employees share our common vision of excellence in execution and exhibit a diverse set of backgrounds with substantial experience including FMCG, information technology, business operations, sales, customer relationship management and branch administration. We believe that these individuals collectively have helped us reach and achieve significant milestones. For further details on our Board see the section "*Board of Directors and Key Managerial*

Personnel" on page 98 of this Preliminary Placement Document.

Our Business Strategy

By executing our strategy, we have built leading positions in some of the fastest-growing sectors of transportation logistics. Our presence in the fast growing e-Commerce and cold chain sector, we believe, will drive our business going forth. We believe growing profitability and increasing shareholder value will accrue by pursuing and executing the following business strategies:

Optimization of operations

Our reputation is based on our service levels that we provide, tailored to our customers' shipping needs, as we compete in a premium service based on reliability, timeliness and visibility. Our operations strategy includes increasing the package volumes moving through our network and broadening the scope of our service offerings in high-growth segments. In connection with this strategy, we are continuing to optimize our existing operations by implementing advanced information technology and leveraging our carrier capacity across services we offer. Our company has implemented certain initiatives that we believe are necessary for future success and growth, through our initiative "*Udaan*". The operational initiative under this *Udaan* include:

- National Grid Initiative: A centrally controlled national grid supported by a regional dynamic network.
- Network Optimization
    - Strategic long term decision indicating the location our operating units.
    - Medium term decision indicating the route optimization.
    - Short term decision indicating the vehicle count, capacities & schedules

Expanding operations in high growth industries

We believe that as one of the leading e-Commerce logistics service providers, we are strategically placed to benefit from the expected growth in the industry. With the Indian e-Commerce industry set to grow at a rapid pace, and achieve a GMV of US$9bn by CY16, clocking 12 million orders per month, we believe that this will provide logistics providers with growth opportunities (*Source: Accel Partners*). Valued at INR132 billion in 2012, the Indian cold chain industry is expected to grow at a CAGR of 16 percent until Fiscal 2017. Transportation is expected to grow at a higher CAGR of 18 percent as compared to storage, which is expected to grow at a CAGR of 16 percent during Fiscal 2017. With an established presence in cold chain, we are well positioned and will be able to capitalize on the growth opportunity that this presents. We plan to setup 17 cold chain warehouses and expand the fleet size to 375 by Fiscal 2017.

Our growth strategy for our cold chain operations, is to complement our delivery capabilities with cold warehouse development. Likewise, we will be strengthening our sales structure and operational processes to support an end-to-end cold chain solution. On our e-Commerce logistics operations, our strategic initiatives remain to support the volume growth through investment in new facilities, infrastructure and technology

Increasing preparedness of our clients for regulatory change

The implementation of GST, we believe, will be a major *game-changer* in the logistics industry. Many end users will revamp their supply chains, realigning the locations of warehouses, corridors used and transportation options exercised, thus generating tremendous business opportunities for logistics firms specializing in supply chain reengineering as well as for providers of network optimization tools such as transportation management systems (TMS). Re-organized countrywide networks would decrease cost of primary freight since warehousing locations are likely to be placed closer to consumption locations. In contrast, this would increase secondary freight due to fewer warehouses. We believe that being a large player in the logistics sector, we would be well positioned to offer services under the new GST regime. We have had discussions at various levels within our organization as well as our customer organizations to understand the potential impact that the implementation of GST will have on the operations of our customers.

SUMMARY OF THE ISSUE

The following is a general summary of this Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information appearing elsewhere in this Preliminary Placement Document, including under the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on page 36, 59, 121, 111 and 133,respectively of this Preliminary Placement Document.

Issuer	Gati Limited
Issue Size	Up to [●] Equity Shares aggregating up to ₹ [●] million. A minimum of 10% of the Issue Size, or at least [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allocated to other QIBs.
Face Value	₹ 2 per Equity Share
Issue Price	₹ [●] per Equity Share
Date of Board Resolution	January 24, 2015
Date of Shareholders' Resolution	March 20, 2015
Floor Price	The floor price of ₹ 236.31 which has been calculated in accordance with Chapter VIII of the SEBI Regulations. In terms of the SEBI Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5.00% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.
Eligible Investors	QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations, and not excluded pursuant to Regulation 86 of the SEBI Regulations, to whom the Preliminary Placement Document and the Application Form is circulated and who are eligible to bid and participate in the Issue. The list of QIBs to whom the Preliminary Placement Document and Application Form is delivered shall be determined by the BRLMs in consultation with our Company, at their sole discretion. See "*Issue Procedure* " starting on page 111 of this Preliminary Placement Document.
Equity Shares issued and outstanding immediately prior to this Issue (as on March 31, 2015)	87,477,537 Equity Shares.
Equity Shares issued and outstanding immediately after this Issue	[●] Equity Shares.
Listing	Our Company has obtained in-principle approvals, dated April 15, 2015 and April 15, 2015 from the BSE and the NSE respectively, in terms of Clause 24(a) of the Equity Listing Agreements, for listing of the Equity Shares issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment and after the credit of Equity Shares to the beneficiary account with the Depository Participant, respectively.
Lock-up	See "*Placement*" on page 121
Promoter Lock-up	See "*Placement*" on page 121
Transferability Restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. See the section "*Transfer Restrictions* "on page 129 of this Preliminary Placement Document.
Use of Proceeds	The gross proceeds from this Issue will be approximately ₹ [●] million. The net proceeds from this Issue, after deducting fees, commissions and expenses of this Issue, will be approximately ₹ [●] million. See the section "*Use of Proceeds*" on page 59 of this Preliminary Placement Documentfor information regarding the use of net proceeds from this Issue.
Risk Factors	See the section "*Risk Factors*" beginning on page 36 of this Preliminary Placement Documentfor a discussion of risks that prospective investors should consider before

	investing in the Equity Shares.	
Pay-In Date	Last date specified in the CAN sent to the QIBs for payment of application money for Equity Shares issued pursuant to the Issue.	
Closing	The Allotment of the Equity Shares, offered pursuant to the Issue is expected to be made on or about [•], 2015.	
Ranking	The Equity Shares to be issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of the Company, including rights in respect of dividends. The shareholders of the Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the Closing Date, in compliance with the Companies Act, the Listing Agreement and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. See the sections "*Dividend Policy*" and "*Description of the Equity Shares*" on page 63 and 133, respectively of this Preliminary Placement Document.	
Security Codes for the Equity Shares	**ISIN**	INE152B01027
	BSE Scrip Code	532345
	NSE Scrip Code	GATI

SUMMARY FINANCIAL INFORMATION

Our financial year ends on March 31 of each year from March 31, 2014. Prior to changing our accounting period, our financial year ended on June 30 every year. Accordingly, all references to a Fiscal 2014 are for the nine month year from July 1, 2013 to March 31, 2014 and other fiscal years for the period July 1 to June 30 of the respective years. The financial information included in this Placement Document does not reflect our Company's results of operations, financial position and cash flows for the future and its past operating results are no guarantee of its future operating performance.Based on the aforementioned, the summary financial information is given as under:

Summary of Consolidated Balance Sheets as of March 31, 2014 and June 30, 2013 and 2012 and December 31, 2014

All figures in ₹ million, unless otherwise mentioned

Particulars	As at			
	31-Dec-14	**31-Mar-14**	**30-Jun-13**	**30-Jun-12**
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	174.53	174.53	173.16	173.16
Reserves and Surplus	5,289.25	7,553.85	7,696.92	4,038.29
	5,463.78	**7,728.38**	**7,870.08**	**4,211.45**
Preference Shares issued by Subsidiary	9.32			
Minority Interest	750.52	1,173.16	1,154.21	536.67
Non-Current Liabilities				
Long Term Borrowings	2,684.82	2,671.68	2,378.05	2,640.79
Deferred Tax Liabilities(Net)	52.79	60.83	106.65	100.96
Other Long Term Liabilities	11.69	5.51	4.00	6.46
Long Term Provisions	266.17	186.33	121.95	39.73
	3,015.45	**2,924.35**	**2,610.65**	**2,787.94**
Current Liabilities				
Short Term Borrowings	1,041.94	1,304.33	1,381.36	1,374.51
Trade Payables	935.26	732.33	662.90	670.07
Other Current Liabilities	1,316.66	1,257.50	1,452.52	866.00
Short Term Provisions	635.30	653.47	471.64	593.03
	3,929.16	**3,947.63**	**3,968.42**	**3,503.61**
Total equity and Liabilities	**13,168.24**	**15,773.52**	**15,603.36**	**11,039.67**
ASSETS				
Non - Current Assets				
Fixed Assets				
Tangible Assets	2,467.92	3,778.97	3,858.68	3,840.68
Intangible Assets	16.97	14.98	12.76	21.15
Capital Work in Progress	80.47	387.07	242.53	101.22
Goodwill on Consolidation	4,468.78	4,468.85	4,468.82	156.54
Non-Current Investments	647.14	547.80	202.08	202.08
Long Term Loans and Advances	569.88	1,337.98	1,491.40	1,402.30
Other Non-Current Assets	20.47	17.60	5.08	94.65
	8,271.64	**10,553.25**	**10,281.35**	**5,818.62**
Current Assets				
Inventories	47.65	119.09	118.35	107.91
Trade Receivables	2,667.41	2,414.22	2,202.82	1,890.08
Cash & Bank Balances	539.98	308.02	465.77	1,400.76
Short Term Loans and Advances	1,641.55	2,378.94	2,516.23	1,809.41
Other Current Assets	-	-	18.84	12.88
	4,896.60	**5,220.27**	**5,322.01**	**5,221.04**
Total Assets	**13,168.24**	**15,773.52**	**15,603.36**	**11,039.67**

Summary of Consolidated Statements of Profit and Loss for the years / period indicated

All figures in ₹ million, unless otherwise mentioned

Particulars	Nine months ended	Year Ended		
	31-Dec-2014	31-Mar-14	30-Jun-13	30-Jun-12
REVENUE				
Revenue from Operations	12,334.74	11,165.72	12,729.46	11,801.78
Other Income	95.08	106.09	165.67	1,088.97
Total income	**12,429.82**	**11,271.81**	**12,895.13**	**12,890.75**
EXPENSES				
Purchase of Stock in Trade	1,809.75	1,749.41	1,741.55	1,796.60
Change in Inventories of Stock-in-trade	(11.04)	(1.33)	(27.55)	0.16
Operating Expenses	7,329.99	6,627.01	7,858.83	7,102.82
Employee Benefits Expense	1,133.98	1,026.93	1,236.39	1,135.94
Finance Costs	306.85	324.97	436.67	619.21
Depreciation and Amortization Expense	240.66	220.69	247.51	369.58
Other Expenses	1,014.24	922.55	1,098.50	1,053.70
Total Expenses	**11,824.44**	**10,870.23**	**12,591.90**	**12,078.01**
Profit before Exceptional Items and Tax	**605.38**	**401.58**	**303.23**	**812.74**
Exceptional Items	(29.59)	-	(70.90)	(145.29)
Profit Before Tax	**575.79**	**401.58**	**232.33**	**667.45**
Tax Expense				
Current Tax	144.38	166.39	150.92	255.24
Net reversal of Previous Year's taxes	-	(2.13)	(96.96)	-
Deferred Tax	15.99	32.35	5.69	(2.66)
Reversal of Excess Deferred Tax Liability	-	(78.20)	-	-
MAT Credit		-	-	(0.20)
Total Tax Expense	**160.38**	**118.41**	**59.65**	**252.38**
Profit before Minority Interest	**415.42**	**283.17**	**172.68**	**415.07**
Less: Minority Interest	116.88	48.95	76.39	-
Profit after Minority Interest	**298.54**	**234.22**	**96.29**	**415.07**
Earnings per Share				
Basic (in ₹)	2.11*	2.70	1.11	4.80
Diluted (in ₹)	1.56*	2.00	0.82	3.56

**Not annualized*

Summary of reservations or qualifications or adverse remarks or Emphasis of Matters (EOMs) or Companies (Auditor's Report) Order, 2003 (CARO) observations in the auditors' report in the last five Financial Years immediately preceding the year of filing the Preliminary Placement Document

Sr. No.	Observations/References made in the auditors' reports on the Financial Statements and its impact on such Financial Statement and Financial Position of the Company	Management's Reposnse
Financial year ended 31st March, 2014 (9 months)		
1.	Note 28 of the consolidated financial statements regarding the scheme of arrangement for amalgamation (the Scheme) sanctioned by the Hon'ble Andhra Pradesh High Court by its order dated 19th March, 2013. The Scheme permits the company to create a capital reserve to be called special reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation amounting to ₹ 555.54 Crores to be utilized to adjust there from any capital losses arising from transfer of assets and certain other losses as specified in the	The accounting is in line with the scheme of arrangement sanctioned by Hon'ble Andhra Pradesh High Court dated 19th March, 2013 and in the management's opinion no corrective steps are required to be taken.

Sr. No.	Observations/References made in the auditors' reports on the Financial Statements and its impact on such Financial Statement and Financial Position of the Company	Management's Reposnse
	Scheme and as the Board of Directors may deem fit. Accordingly irrecoverable advances and dues aggregating to ₹ 80.05 Crores required to be debited to the statement of Profit and Loss have been adjusted against Special Reserve which is not in accordance with Accounting Standard (AS) 5 'Net profit or loss for the period, prior period items and Changes in Accounting Policies'. This has resulted in the profit for the period before tax and profit after tax for the period being higher by ₹ 80.05 Crores.	
2.	Note 31(a) of the consolidated financial statements regarding non provision against investments and other receivables from the subsidiary Gati Kausar India Limited amounting to ₹ 35.23 Crores and ₹ 2.64 Crores respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.	In the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in the near future.
3.	Note 31(b) of the consolidated financial statements regarding non provision against investments and other receivables from the subsidiary Zen Cargo Movers Pvt Limited amounting to ₹ 36.22 lakhs and ₹ 147.61 lakhs respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.	In the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.
4.	Note 32 of the consolidated financial statements in respect of two wholly owned overseas subsidiaries of Gati Asia Pacific Pte Limited (wholly owned subsidiary of Gati Limited) namely (i) Gati Hong Kong Limited has capital deficiency, has incurred a net loss of ₹ 71,75,314 (HK$ 905,853) during the period ended 31st March 2014 and as of that date, the subsidiary's total liabilities exceeded its total assets by ₹ 1,61,23,802 (HK$ 2,090,498) which indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern and (ii) in the case of Gati China Holdings Limited. In the management's opinion no impairment provision in respect of its investments made to its subsidiary, is required to be made.	In the management's opinion no impairment provision in respect of its investments made in its subsidiary, is required to be made.
5.	Note 33 of the consolidated financial statements regarding non provision for dues of ₹ 13.90 crores from a body corporate as the management is confident of its full recovery.	The management is confident of its full recovery. As on date an amount of ₹ 1.75 Crores has been recovered.
Financial year ended 30th June, 2013		
1.	Note 30 of the consolidated financial statements regarding the scheme of arrangement for amalgamation (the Scheme) sanctioned by the Hon'ble Andhra Pradesh High Court by its order dated 19th March, 2013. The Scheme permits Gati Limited to create a capital reserve to be called special reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation amounting to ₹ 555.54 Crores to be utilized to adjust therefrom any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of Directors may deem fit. Accordingly the loss of ₹ 64 Crores on sale of investment in 40 lakh equity shares of the Subsidiary Gati Ship Limited required to be debited to the statement of Profit and Loss has been adjusted against Special Reserve which is not in accordance with Accounting Standard (AS) 13 'Accounting for Investments'. This has resulted in the profit before tax and profit after tax for the year being higher by ₹ 64 Crores and ₹ 63.50 Crores respectively.	The accounting is in line with the scheme of arrangement sanctioned by Hon'ble Andhra Pradesh High Court dated 19th March, 2013 and in the management's opinion no corrective steps are required to be taken.

Sr. No.	Observations/References made in the auditors' reports on the Financial Statements and its impact on such Financial Statement and Financial Position of the Company	Management's Reposnse
2.	Note 32A of the consolidated financial statements regarding non provision against investments and other receivables from the subsidiary Gati Kausar India Limited amounting to ₹ 3522.46 lakhs and ₹ 40.61 lakhs respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.	In the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in the near future.
3.	Note 32B of the consolidated financial statements regarding non provision against investments and other receivables from the subsidiary Zen Cargo Movers Pvt Limited amounting to ₹ 36.22 lakhs and ₹ 135.55 lakhs respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.	In the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.
4.	Note 33 of the consolidated financial statements regarding the auditors' report dated July 30th, 2013 in respect of the subsidiary Gati Asia Pacific PTE Limited, Singapore contains, without being qualified, emphasis of matter that although the Company's subsidiaries collective current liabilities exceeded the current assets, and the accumulated losses exceeded the paid up capital and/or reserves by ₹ 4.29 crores/ S$ 911,863 (2012: S$ 738,438) and ₹ 4.25 crores/ S$ 902,547 (2012: S$ 723,329) respectively as at June 30th, 2013, the financial statements have been prepared on the basis that the Company's subsidiaries are going concerns as the holding company has given written confirmation of its continuing financial support for its subsidiaries. If the financial support is not forthcoming and as a result, the Group is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that the assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the Balance Sheets.	The management confirms that the subsidiaries will have the continued financial support and hence no adjustments is required in the assets stated in the Balance Sheets.
5.	Note 36 of the consolidated financial statements regarding dues of ₹ 26.60 Crores from the National Aviation Company India Limited. (now Air India Limited.) and legal expenses ₹ 1.02 crores included in Short Term Loans & Advances disputes in respect of which have been referred for arbitration before the Arbitral Tribunal. In the opinion of the management no provision is necessary in this behalf considering the pendency of the matter before the Arbitral Tribunal, the legal advice received by Gati Limited and the outcome of which cannot presently be determined.	The Arbitral Tribunal has passed its Award dated 17th September 2013 directing Air India Limited to pay an amount of ₹ 26.82 Cr to the Company together with 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.
Financial year ended 30th June, 2012		
1.	Note 30(a) of consolidated financial statement regarding pending dispute with National Aviation company of India Limited (NACIL) and claims and counter claims made in this behalf. Further ₹ 2659 lakhs due from NACIL are included in Loans & Advances pending realization. According to the legal opinions received by the company no liability is contemplated to arise and no provision is necessary in this accounts in this behalf. We are unable to express an opinion in the matter.	The Arbitral Tribunal has passed its Award dated 17th September 2013 directing Air India Limited to pay an amount of ₹ 26.82 Cr to the Company together with 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.
2.	Note 30(d) of consolidated financial statement regarding excess remuneration made to Managing Director and erstwhile whole-time director aggregating to ₹ 224.67 lakhs which is subject to the approval of Central Government and the shareholders.	After waiver of ₹ 115.54 lakhs of excess remuneration, the Central Government has directed recovery of the balance amount of ₹ 48.92 Lakhs from the Managing Director. Further

Sr. No.	Observations/References made in the auditors' reports on the Financial Statements and its impact on such Financial Statement and Financial Position of the Company	Management's Reposnse
		representation for waiver of this amount has been made and is pending.
Financial year ended 30th June, 2011		
1.	Note 3 regarding pending dispute with National Aviation company of India Limited (NACIL) and claims and counter claims made in this behalf. Further ₹ 2659 lacs due from NACIL are included in loans & advances pending realization. According to the legal opinions received by the company no liability is contemplated to arise and no provision is necessary in these accounts in this behalf. We are unable to express an opinion in the matter.	The Arbitral Tribunal has passed its Award dated 17th September 2013 directing Air India Limited to pay an amount of ₹ 26.82 Crores to the Company together with 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.
2.	Note 7 regarding excess remuneration made to Managing Director aggregating to ₹ 46.65 lacs which is subject to the approval of Central Government and the shareholders.	Excess remuneration made to Managing Director ₹ 46.65 lakhs an amount of ₹ 25.34 lakhs has been approved by the Central Government and the balance has been recovered.
Financial year ended 30th June, 2010		
1.	Note 3 regarding pending dispute with National Aviation Company of India Limited (NACIL) and claims and counter claims made in this behalf. Further ₹ 2659 lacs due from NACIL are included in loans & advances pending realization. According to the legal opinions received by the company no liability is contemplated to arise and no provision is necessary in these accounts in this behalf. We are unable to express an opinion in the matter.	The Arbitral Tribunal has passed its Award dated 17th September 2013 directing Air India Limited to pay an amount of ₹ 26.82 Crores to the Company together with 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.
2.	Note 7 regarding excess remuneration made to Managing Director and Whole-Time Director aggregating to ₹ 127.79 lacs which is subject to the approval of Central Government and the shareholders.	Excess remuneration made to Managing Director ₹ 61.93 lakhs and Whole-Time Director ₹ 65.86 lakhs aggregating to ₹ 127.79 lakhs, an amount of ₹ 115.54 lakhs has been approved by the Central Government and the balance has been recovered.

RISK FACTORS

Investing in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider the risks and other uncertainties described below, in addition to the other information contained in this Preliminary Placement Document, before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on our business, results of operations, financial condition and future prospects and cause the market price of the Equity Shares to fall significantly resulting in loss of all or a part of your investment and/or our Company's ability to pay dividends could be impaired. Additional risks not described below or not currently known to us or that we currently deem immaterial may also adversely affect the market price of the Equity Shares and that an investor could consequently lose all or a part of his investment in the Equity Shares. In particular, any potential investor in or purchaser of the Equity Shares should pay particular attention to the fact that our Company is a company governed by Indian legal and regulatory requirements which may differ from those which prevail in other countries. Prospective investors should also note that certain statements in this Preliminary Placement Document, including information with respect to our Company's plans and strategy, constitute "forward-looking statements" as discussed in the section entitled "Forward-Looking Statements".

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate the ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another.

In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

Unless otherwise stated, references in this section to "our Company" are to Gati Limited, and references to "we", "our" or "us" are to our Company and our Subsidiaries and JVs.

To obtain a complete understanding of our business, you should read this section in conjunction with the section titled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 82 and 64, respectively.

I. INTERNAL RISK FACTORS

A. Risks Relating to our Company and our Business

1. ***Our Company is currently involved in litigation initiated by the Trustee on behalf of the Bondholders of our FCCBs.***

In December 2011, our Company refinanced FCCBs issued by us in 2006 ("**2006 Bonds**"), by issue of 22,182 zero coupon unsecured FCCBs of US$ 1000 each under the automatic route ("**2011 Bonds**"). In April 2013, our Company sought RBI approval to buy back FCCBs of up to US$ 5 million, as the Bonds had not completed the average maturity period of five (5) years. While reviewing our request, the RBI determined that in 2006, we were not permitted to issue FCCBs under the automatic route, since we are a company in the services sector, and companies in the services sector were not allowed to issue FCCBs under the automatic route. Although this restriction was relaxed in June 2008 and August 2010, when the RBI permitted companies in the service sector to issue FCCBs up to US$ 100 million under the automatic route. As our Company issued the 2006 Bonds prior to June 2008, the RBI passed a compounding order in respect of the 2006 Bonds and 2011 Bonds, since the 2011 Bonds were a refinance of 2006 Bonds. While the RBI granted permission to our Company to buy back up to US$ 5 million of the 2011 Bonds, the RBI simultaneously held that the 2011 Bonds will be treated as debt, and directed our Company to pay an aggregate amount of ₹ 29.59 million as compounding fees. Our Company filed two writ petitions in Andhra Pradesh High Court challenging the compounding orders and action of RBI. Subsequently pursuant to our Company making a representation dated July 23, 2014 to RBI seeking various clarifications in relation to FCCBs, the writ petitions were disposed off. Our Company paid the compounding fees to RBI, and at the same time the High Court at Hyderabad directed the RBI to consider our Company's representation dated July 23, 2014 seeking various clarifications, including the character of the bonds. Our Company is awaiting RBI's clarification on treatment of the 2011 Bonds.

In view of the aforementioned, our Company is unable to take any action on the 2011 Bonds or comply with the bondholders request to convert the 2011 Bonds. Pending RBI's decision/ clarification in respect of our representation dated July 23, 2014, the Trustee viz., The Bank of New York Mellon, on behalf of the Bondholders filed a civil suit in the City Civil Court, Secunderabad, under Section 39 of the Specific Relief Act, 1963 seeking specific performance. The Trustee has inter alia sought conversion by our Company of the 2011 Bonds into equity shares, and other reliefs. Presently our Company is disputing and challenging the FCCB conversion notices by the Bondholders since the nature of the FCCBs and other connected issues are pending clarification/ decision of RBI. Please refer to section "*Legal Proceedings*" on page 152 for further details on 2011 Bonds.

While it is not possible for our Company to determine the outcome of the aforesaid proceedings and the RBI's decision, if RBI decides that the nature of the issuance of the FCCBs is that of debt, we may be required to repay the entire outstanding amount, which may be contested by the bond holders and which may result in protracted legal proceedings in the matter. On the other hand, if the RBI decides that the nature of the issuance is an FCCB, we may have to convert the FCCBs into Equity Shares in accordance with the terms and conditions of the bond, and subject to RBI's clarification/decision on conversion price. In such event, the conversion of Bonds into equity shares of our Company may have to be at an issue price that is substantially lower than the market price, and may also result in significant dilution in holding of existing equity shareholders. An adverse outcome in any of these proceedings could have a material adverse effect on our Company as well as on our business, results of operations and financial condition

2. ***Our Company may incur penalties or liabilities for delayed compliance with certain provisions of the FEMA***

Our Company has in the past not complied with certain provisions of the FEMA Regulations. The RBI by its letter dated December 13, 2013 had advised our Company to seek compounding of contravention by us of Regulation 16(1)(iii) of the FEMA Regulations, in respect of transfer by our Company of its entire investments including assets of its erstwhile wholly owned subsidiary Gati Holdings Limited, Mauritius (GHL) to Gati Asia Pacific Pte., a Singapore based company (GAPL), followed by our Company acquiring the entire stake of GAPL. The RBI had observed that our acquisition of shares of GAPL against the shares of GHL was by way of swap and was based on purchase cost which does not fulfil the criteria of fair valuation which is in contravention of the FEMA Regulations. Our Company has accordingly made compounding applications to RBI, inter alia seeking compounding and pardon of contraventions with respect to this transaction. For further details of these compounding proceedings please refer to section titled '*Legal Proceedings*' on page 152. While we have sought to regularize the delays though the compounding application with the RBI, there can be no guarantee that the matter will be settled, in which case we may be liable to pay fines under the said regulations.

There can be no assurance that any of the above proceedings will be settled in our favour or in favour of our Company or our subsidiaries or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have a material adverse effect on our Company as well as on our business, results of operations and financial condition.

3. ***We are involved in certain legal proceedings***

Our Company, Subsidiaries, Promoter and Directors are involved in certain legal proceedings. A summary of all material litigations which exceed ₹ 10 million in value and/or could have a material adverse effect on the company or the relevant subsidiary and disputes against our Company, Subsidiaries, Promoter and Directors involving potential financial implication on the net worth of our Company, is in the following tables:

Material Litigation/ matters against our Company: (In ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
RBI Proceedings	1	29.59*
Civil Proceedings	1	Not Ascertainable
Total	2	29.59

**Note: The amount of compounding fee in respect of one case is not ascertainable.*

Material Litigation by our Company: (In ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Arbitration Proceedings	2	349.36
Total	**2**	**349.36**

Material Litigation by our subsidiaries:(In ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Arbitration	1	17.00
Total	**2**	**37.70**

Material Litigation by our Associates:(In ₹ million)

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
Arbitration	1	67.65
Total	**2**	**67.65**

Please see the section "*Legal Proceedings*" on page 152 of this Preliminary Placement Document for further details of the aforementioned legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Such proceedings could divert management time and attention, and consume financial resources in their defense or prosecution. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and liabilities. There can be no assurance that any of the above proceedings will be settled in our favour or in favour of our Company or our subsidiaries or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have a material adverse effect on our Company as well as on our business, results of operations and financial condition.

4. ***Our businesses are subject to a number of risks that could affect those operations and thus affect our profitability and operating results***

Our operations in many of business segments in which we are present are accompanied by a number of risks and potential costs as elaborated:

Express Distribution Segment: Our express distribution segment which accounted for 71.46%, 74.19 % and 74.48 % of our total income in the nine months ended December 31, 2014 and Fiscals 2014 and 2013 respectively is subject to a number of factors that could impact our results of operations and our ability to expand in this segment, including, underutilized capacity, shortage of skilled manpower, volatility in fuel prices and limited air freight network. Additionally, the fragmented nature of the market, infrastructure bottlenecks, increased regulatory bottlenecks and increased competition are all factors that may impede our ability to stay profitable and successfully expand.

E-Commerce Logistics Segment: Currently a significant part of the volumes in e-Commerce is done by about 6-7 players, who have started investing in building their in-house logistics capabilities. If our customers are able to improve their internal supply chain management systems or reduce their last mile delivery cost structures, our business and results of operations may be impacted. Further, there are several factors that end-customers are beginning to expect from logistics partners, including time window specific delivery and pick up facilities. If we are not able to develop these services and integrate them into our service offering, or do so in a timely manner, this too may adversely impact our operations.

Cold Chain Segment

Our cold chain operations are affected by a range of factors including lack of integrated infrastructure facilities, high power costs on account of erratic power supply. Any of these factors could have a material adverse effect on our reputation, business, results of operations and financial conditions and may restrict our ability to expand and grow successfully in these segments.

5. ***Our business may be materially adversely affected by negative changes in economic conditions.***

The logistics business is susceptible to trends in economic activity, including but not limited to industrial production, consumer spending and retail activity, and an economic crisis or slowdown may negatively affect our business in a number of ways. In particular, our results of operations and financial condition are directly tied to the purchase and production of goods across in the Indian economy. The primary activity of our freight forwarding business is to transport goods, and our contract logistics business is an integral part of the production, storage and distribution of goods in many different industries. Changes in economic conditions could materially adversely impact our customers, which could in turn impact their demand for our services and the terms on which we provide other services to our customers.

6. ***We operate in a highly competitive industry and, if we are unable to adequately address factors that may adversely affect our revenue and costs on account of increased competition, our business could suffer.***

We operate in a very competitive industry, dominated by a large number of unorganized players. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any of which could adversely affect our business and results of operations. There are various factors that could impair our ability to maintain our current levels of revenues and profitability in our goods transportation business, including the following:

- competition from unorganized players, who may not be subject to tax payments or may not follow operating norms stipulated in the Motor Vehicles Act such as quality of drivers and vehicles, volume and weight restrictions, etc.;
- high costs of operation and delays involved in compliance with varying documentation requirements of different states;
- poor physical and communications infrastructure
- lack of skilled and knowledgeable manpower in the logistics sector

Our competitors may successfully attract our customers to their services by matching or exceeding what we offer our customers. Our competitors may also start new routes or increase the frequency in the existing routes. As pricing is a significant driver in consumer decisions in our industry, our competitors may engage in price competition. We may respond by increasing advertising and promotions, which may increase our costs. Certain of our competitors are larger than us and may have greater network, brand recognition, or financial resources available and may be able to devote greater resources to pricing and promotional programs. Our future earnings growth depends upon our ability to operate efficiently in the highly competitive domestic logistics industry. We have over the last couple of years implemented certain cost reduction initiatives that we believe are necessary for future success and growth such as our multi-year engagement with leading consultant. If we are not able to sustain such measures in the future, it may adversely impact our results of operation.

7. ***We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business, results of operations and financial condition.***

As of December 31, 2014, we had a total term loan borrowings of ₹ 3,420.63 million, and fund based working capital borrowings of ₹ 1,041.95 million and as per the bank statements of even date. On a consolidated basis, our Company had an indebtedness of ₹ 4,514.28 million. In addition, we may incur some additional indebtedness in the future. The level of our indebtedness could have several important consequences, including but not limited to the following:

- a substantial portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash flow to fund our working capital, capital expenditures, acquisitions and other general corporate requirements;
- current and future defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests, receivables and other assets;
- a substantial portion of our indebtedness is subject to floating rates of interest. Fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings;
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited;

For further details regarding our indebtedness, please see section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operation-Indebtedness*" on page 64 of this Preliminary Placement Document.

8. ***Increased costs or decreased availability of third-party providers of certain transportation services could increase our operating expenses, reduce our net income and have a material adverse effect on our financial condition.***

We use external providers for our transportation and warehousing capacity requirements. Our ability to serve some of our customers, for example, depends on the availability of air and road freight capacity, including space on commercial airlines and carriers that service the transportation lanes our customers use. Although we have a large fleet of goods transportation vehicles, we also hire a significant number of vehicles for our goods transportation operations, particularly during peak periods. Third-party vehicles generally yield lower payload capacity compared to our own customized vehicles with lighter and longer bodies enabling higher payload capacity. Hiring third party vehicles also significantly increases operational expenses. We cannot assure you that we will be able successfully manage dynamic movements in requirements of inventories of transportation and warehousing space, especially to cater to non-linear increases of our customers' requirement, at competitive costs or at all. In addition, although we seek to pass through third-party transportation rate increases to our customers, in certain instances, we may not be able to raise prices in sufficient amounts or on a sufficiently rapid basis, which could materially adversely affect our profitability and results of operations.

9. ***Our business will be seriously harmed if we fail to develop, implement, maintain, upgrade, enhance, protect and integrate information technology systems***

Our proprietary, integrated and scalable information technology platform is a key component of our business. To keep pace with changing technologies and customer demands, we must correctly interpret and address market trends and enhance the features and functionality of our proprietary technology platform in response to these trends, which may lead to significant ongoing software development costs. We may be unable to accurately determine the needs of our customers and the trends in the logistics segments in which we operate or to design and implement the appropriate features and functionality of our technology platform in a timely and cost-effective manner, which could result in decreased demand for our services and a corresponding decrease in our revenues. Despite testing, external and internal risks, such as malware, insecure coding, "Acts of God", attempts to penetrate our network, data leakage and human error pose a direct threat to our information technology systems and operations. Any failure to identify and address such defects or errors could result in loss of revenues or market share, liability to customers or others, diversion of resources, injury to our reputation and increased service and maintenance costs. Correction of such errors could prove to be impossible or very costly and responding to resulting claims or liability could similarly involve substantial cost.

We must maintain and enhance the reliability and speed of our information technology systems to remain competitive and effectively handle higher volumes of freight through our network. If our information technology systems are unable to manage additional volume for our operations as our business grows, our service levels and operating efficiency could decline. We expect customers to continue to demand more sophisticated, fully integrated information systems from their transportation providers. If we fail to hire and retain qualified personnel to implement, protect and maintain our information technology systems or if we fail to upgrade our systems to meet our customers' demands, our business and results of operations could be seriously harmed. This could result in a loss of customers or a decline in the volume of freight we receive from customers. Further, some of our existing technologies and processes in the business may become obsolete, performing less efficiently compared to newer and better technologies and processes in the future. The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding capacity could be significant and could adversely affect our results of operations.

10. ***We derive a significant portion of our revenue from our e-Commerce business from a few customers; our relationships with our customers generally are terminable on short notice and generally do not provide minimum shipping commitments.***

Although we have a relatively diversified customer base, our top-10 customers of e-Commerce services represents more than 60% of our e-Commerce logistics segment revenues for nine months ended December 31, 2014 that represents a considerable portion of our revenues. If a major customer decides to terminate or not renew existing contracts or arrangements, decides to reduce the services we provide to them, seeks to renegotiate the terms of our contracts in ways that are adverse to us or becomes bankrupt, insolvent or otherwise unable to pay for our services, this could have a material adverse effect on our business, results of operations and financial condition. Any downturns in any of the sectors that our top customers operate, or any other sector that we serve—including plant closings, bankruptcies and consolidations—could materially harm our business, results of operations and financial condition. In the e-commerce logistics segment our significant customers include many large e- retailers and other companies whose businesses are impacted by various factors including, but not limited to, reduced disposable income, reduced discounts and reduced internet penetration that may adversely affect these customers and, in turn, our Company's revenues and results of operations. Our contractual relationships with our customers generally are terminable at will by the customers (or us) on short notice. Moreover, our customers generally are not required to provide any minimum shipping commitments. Failure to retain our existing customers or enter into relationships with new customers could have a material adverse impact on our revenues and resulting profitability.

11. ***We depend on express distribution & supply chain solutions business for most of our revenues and the loss or decline of business in this segment could adversely affect our revenues and cash flows.***

We derived approximately 71.46 % of our total business income from our flagship express distribution and supply chain services for the nine months ended December 31, 2014. While we have not witnessed sustained decline of business in the recent fiscals, there can be no guarantee that the express distribution & supply chain solutions business will continue unaffected by external factors. Consequently, we cannot guarantee that a reduction in the business from Express Distribution & Supply Chain Solutions will be made up for an increase in business by the other segments that we operate in. In the event we are not able to successfully manage our growth of our business segments, it could have a material adverse impact on our revenues and resulting profitability.

12. ***We enter into a number of lease agreements for use as operating units. Our operations may be materially and adversely affected if these leases are terminated or not renewed***

As of March 31, 2015 we have over 550 operating units controlled by us or our franchisees. A majority of the operating units under our control are located on premises for which we have entered into lease arrangements. Further the operating units under control of our franchisees may not be owned by them. In the event we or our franchisees are unable to continue to use these operating units located on leased premises during the period of the relevant lease or extend such lease on its expiry on commercially acceptable terms, or at all, we may suffer a disruption in our operations which could have a material and adverse effect on our business, results of operations and financial condition. In addition, some of these leases may not have been registered, which may affect the evidentiary value of such lease agreement in specific performance or other injunctive procedures in a court of law.

13. ***If we are unable to maintain our brand images and corporate reputation, our business may suffer.***

Our success depends in part on our ability to maintain the image of our brands, particularly GATI , GATI KWE and GATI KAUSAR and our reputation for providing excellent service to our customers. Service quality issues, actual or perceived, even when false or unfounded, could tarnish the image of our brand and may cause customers to use other logistics or freight-forwarding service providers. Damage to our reputation and loss of brand equity could reduce demand for our services and thus have an adverse effect on our business, financial position and results of operations, and could require additional resources to rebuild our reputation and restore the value of our brands.

14. ***Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.***

Our financing agreements include conditions and restrictive covenants that require us to obtain consents from our lenders prior to carrying out specified activities and entering into certain transactions. Our lenders, based on certain parameters, have certain rights that can be invoked pursuant to certain events occurring, as stated in our facility agreements, that require us to intimate, seek permission/no objection for, amongst other things, borrowing additional debt, altering capital, declaring dividends or incurring capital expenditures beyond prescribed thresholds, change the shareholding pattern/management of our Company, issue any guarantee, use other bank's facilities, enter into any derivative transactions, enter into any profit sharing agreements, make investments other than in the ordinary course of business, sell/transfer/lease/dispose substantial part of assets, and form or acquire any subsidiaries. We cannot assure you that we will be able to obtain approvals from all lenders to undertake any of these activities, or be able to intimate the lenders in a timely manner, as and when required or comply with such covenants or other covenants in the future. Our loan documents with one of our lenders, the State Bank of India, require us to seek a consent for this Issue. While the State Bank of India has noted the proposal of the Company to raise funds through this Issue, we are awaiting a written ratification of the same. In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements.

Further, these debt obligations are typically secured by a combination of security interests over our assets and hypothecation of movables and future receivables. The security allows our lenders to sell the relevant assets in the event of our default, convert outstanding debt into equity, nominate directors to our Board or exercise other such related rights. Under such financing agreements, we are also required to comply with certain financial covenants, such as maintaining prescribed financial ratios at all times. Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase and we may become subject to additional conditions from lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or the lenders could decline to lend to us under such agreements. Further, we cannot assure you that we will be able to raise additional financing on favorable terms, or at all. Any failure in the future to obtain sufficient financing could result in a lack of cash flow to meet our operating requirements and, therefore, could have an adverse effect on our business, financial condition and results of operations.

15. ***We may not be able to obtain funding on acceptable terms or at all because of volatility and uncertainty in the credit and capital markets. This may hinder or prevent us from meeting our future capital needs.***

Global financial markets and economic conditions have been, disrupted and volatile due to a variety of factors, including uncertainty in the financial services sector, low consumer confidence, continued high unemployment, geopolitical issues and the weak economic conditions in the past. As a result, we have seen that the cost of raising money in the debt and equity capital markets has increased substantially at times while the availability of funds from those markets diminished significantly. Due to these factors, we cannot be certain that new debt or equity financing will be available on acceptable terms. If funding is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due. Moreover, without adequate funding, we may be unable to execute our growth strategy, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our revenues and results of operations.

16. ***Our business is subject to availability of third party service providers for transport and logistics of the goods we deal in. Any disruption in transportation services could have an adverse impact on our operations and business.***

Our business operations require the transport and logistics of the goods we warehouse, procure, process and/or trade in from their origin to destination. These transportation services are availed directly by our clients (or through us) from third party operators. These transportation services may be disrupted by force majeure events and other factors such as local labor unrest, disputes and strikes. The availability and viability of availing transportation services can also be affected by an increase in cost of fuel. If our clients are unable to source such services in a cost effective and timely manner or at all, our customers will seek alternative arrangements, which could have an adverse impact on our business, operations and financial results.

Further, delivery disruptions in general, and particularly in relation to our distribution network, may occur for various reasons beyond our control, including poor handling by distributors or third party transport operators, transportation bottlenecks, natural disaster, and could lead to delayed or lost deliveries. If our stocks are not delivered to warehouses on time, or are delivered damaged, we may have to pay compensation, apart from loss of business and harm to our reputation.

17. ***Our inability to deliver packages in a timely manner may affect our reputation and business prospects.***

Express distribution services are used by customers for time-sensitive shipments and are characterized by very stringent pick-up and delivery windows, advanced technology and high levels of customer service. This timely distribution may be subject to delays including factors beyond our control. Any delay in the delivery of packages may result in breach of the contract with our customers and may be ground for termination of our agreements. Our inability to retain our customers may harm our reputation and will have an adverse impact on our financial performance and business prospects.

Further, for our cold chain solutions, a delay in the distribution of temperature sensitive shipments may compromise the integrity and quality of the product and could render us susceptible to potential claims from the end consumer of such products.

18. ***If our customers are able to improve their internal supply chain management systems or reduce their supply chain cost structures, our business and results of operations may be harmed.***

We believe that significant drivers for our customers to use third party logistics providers include the quality and cost of internal supply chain management and personnel. Third party logistics service providers such as ourselves are generally able to provide high-quality service more efficiently than otherwise could be provided "in-house". Historically, this has been the case in our target industries. If, however, a customer in any industry we target is able to improve the quality of its internal supply chain management system, renegotiate the terms of its labor contracts or otherwise reduce its total cost structure regarding its employees, we may not be able to provide such a customer with an attractive alternative for its logistics needs and our business, results of operations and growth potential may be harmed.

19. ***We have ceased operations of our shipping business and have closed some of our subsidiaries whose operations have become unviable***

Our Company has ceased operating its shipping business carried out through its associate Gati Ship Limited (GSL), a loss making company and has sold off all its operating assets. While we continue to hold 48% in GSL, the economic interest has been written off over Fiscal 2013, 2014 and 2015. As on December 31, 2014, our Company has sold 52% of its stake in GSL for ₹ 83.02 million and has booked ₹ 1,717.08 million as write downs on our investment and plans to sell the residual stake in GSL. Our Company has also closed its operations being conducted through Gati Cargo Malaysia SDN BHD, which is our step down subsidiary in which we had invested through our subsidiary Gati Asia Pacific Pte Limited. As at December 31, 2014, we have made a provision that we had invested in Gati Asia Pacific Pte Limited. There can be no guarantee that our investments in our other subsidiaries will be profitable, and if we are required to provide for diminution in value, our results of operations may be adversely impacted

20. ***Fluctuations in the price or availability of fuel may change our operations structure and resulting profitability.***

Fuel expense constitutes a large component of the costs for our fleet of company owned and vendor vehicles. Fuel prices are highly volatile with the price and availability of all petroleum products subject to economic, political and other market forces beyond our control. As is customary in our industry, most of our customer contracts include fuel surcharge provisions to mitigate the effect of the fuel price increase over base amounts established in the contract. Market pressures may limit our ability to assess fuel surcharges in the future. Significant increases in fuel prices would increase our need for working capital to fund payments for operating owned and vendor vehicles. Significant changes in the price or availability of fuel in future periods or significant changes in our ability to mitigate fuel price increases through the use of fuel surcharges, could have a material adverse impact on our operations, fleet capacity and ability to generate both revenues and profits.

21. ***Failure in maintaining the requisite standard for storage of packages warehoused with us / transported through us could have a negative impact on our business.***

Some of the freight warehoused and/or transported by us are perishable in nature. In the event that we fail to maintain the prescribed and / or requisite standards of storage or if the integrity of products that are warehoused or distributed is compromised, we could be in breach of our contractual obligations to our customers which could lead, amongst others, to monetary damages.

In our cold chain solutions segment, we are required to maintain the requisite standard for storage of the products that we transport. We achieve this through various means including by ensuring that our temperature controlled Reefer Vehicles deploy data loggers to ensure continuous monitoring of temperature. However, if we consistently, or frequently, fail to maintain the prescribed and / or requisite standards at our temperature controlled Reefer Vehicles, we may be unable to retain our customers which will have an adverse impact on our business, growth prospects and our financial results.

22. ***We do not verify the contents of the parcels transported by us, thereby exposing us to the risks associated with the transportation of goods in violation of applicable regulations.***

Our customers are required to declare the contents of the packages that they book with us, however we do not independently verify its contents, neither do we have any equipment to enable us to verify all our consignments prior to loading such consignments on our vehicles. Accordingly, we are unable to guarantee that these parcels do not contain any hazardous or illegal goods. In case our vehicles are seized, or confiscated, it could adversely affect our operations and reputation.

Further, we are subject to a broad range of national, State and local environmental, health and safety and criminal laws and regulations including regulations in relation to storage and transport of hazardous substances such as fuel. For example, the Hazardous Substances (Classification, Packaging and Labelling) Rules, 2011, mandate specific packaging and labeling requirements in relation to certain flammable substances. Failure to comply with such requirements may expose our Company to criminal liability as well as claims from third parties. Further, in the course of our operations, we may store, transport or arrange for the storage or transportation of substances defined as hazardous under applicable laws. If any damage or injury occurs as a result of our storage or transportation of hazardous, explosive or illegal materials, including fuel, we may be subject to claims from third parties, and bear liability, for such damage or injury even if we were unaware of the presence of the hazardous, explosive or illegal materials, and this could have a material adverse effect on our business and financial condition.

23. ***We have in the past entered into related party transactions and may continue to do so in the future. It is likely that we will continue to enter into related party transactions in the future and such transactions, individually or in the aggregate, may have an adverse effect on our financial condition, cash flows and results of operations.***

We have, in the course of our business, entered into transactions with related parties. While we believe that all such transactions have been/ would be conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with these related parties. For instance, our Company has advanced various sums to our subsidiaries and associates. Such related party transactions may give rise to potential conflicts of interest with respect to dealings between us and the related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future and such transactions, individually or in the aggregate, may have an adverse effect on our financial condition, cash flows and results of operations. For further details of related party transactions entered into by us, see "*Financial Statements*" on page 159 of this Preliminary Placement Document and the annual reports available on the website of the Company.

24. ***If revenues from certain markets are adversely affected it could have a material impact on our results of operations and financial condition.***

While we have a geographic presence across various cities and towns in India, we are heavily dependent on certain markets for our income from operations. We believe that as of December 31, 2015, NCR, Mumbai, and Bangalore markets contributed significantly to our total revenues. If the share of our revenues from these cities reduces significantly, it may adversely affect our results of operations and financial condition.

25. ***Our Company has provided corporate guarantees to the lenders of some of our Subsidiaries to secure the loans availed by such Subsidiaries which if invoked, may adversely affect our cash flows, results of operations and financial conditions.***

Our Company has provided corporate guarantees and undertakings to the lenders of some of our Subsidiaries to secure the loans availed by such Subsidiaries. As of December 31, 2015 we have provided corporate guarantees amounting to ₹ 1,265.87 million to our Subsidiaries. In the event that our Subsidiaries are not in a position to service its payment obligations under its loan facilities, we may be called upon by the lenders to fulfil such payment obligations as a guarantor. Any such instance may have adverse impacts on the financial condition, cash flows, business and results of operations and prospects of our Company.

26. ***We have a number of contingent liabilities (amounting to*** 36.46***% of our consolidated net worth as on December 31, 2014) and our profitability could be adversely affected if any of these contingent liabilities materialize.***

As of December 31, 2014, we have a number of contingent liabilities that may adversely affect our results of operations, cash flow and financial condition in the future.

Particulars	As at December 31, 2014
Bank Guarantee	51.74
Corporate Guarantee	1,265.87
Capital Commitment	NIL
Total Contingent Liabilities	1,317.61

If any of these contingent liabilities materialize, our profitability may be adversely affected. For a more detailed description of our contingent liabilities, see "*Financial Statements*" on page 159 of this Preliminary Placement Document.

27. ***We are subject to certain restrictions and covenants under the agreements entered with our strategic/financial partners.***

We have entered into a share purchase share subscription and shareholders agreement dated February 13, 2012 with KWE- Singapore and KWE India who have invested in 150,000 equity shares representing 30 % of the share capital of Gati-KWE. Under this arrangement, KWE Singapore and KWE India have certain rights in respect to reserved matters. Further, we have entered into a share purchase and shareholders' agreement with Mandala Capital AG Limited (Mandala), pursuant to which Mandala has invested ₹ 200 million as equity capital representing 20% of the paid up capital our subsidiary Gati Kausar India Limited, which affords them rights on qualified matters. Further, Mandala invested ₹ 100 million in CCPS of Gati Kausar India Limited, which upon conversion can increase their voting right up to 30%. Therefore, our ability to manage and develop these operations, without approval our strategic/financial partners may be limited.

28. ***We have terminated our lease agreement with state-owned National Aviation Co of India Limited (NACIL) for lease of cargo aircrafts in respect of which certain disputes have arisen and are pending***

In 2009 our Company discontinued Freighter Aircraft operations as per the arrangement with National Aviation Company of India Limited (NACIL) (erstwhile Indian Airlines Limited.,) and now Air India (AI), due to continuous failure and defaults by NACIL which was referred to arbitration. The Arbitral Tribunal adjudicating the disputes between the Company and Air India Limited in respect of the discontinued freighter operations of the Company, had passed its Award dated September 17, 2013, whereby, it has inter alia directed Air India Limited to pay an amount of ₹ 181.90 million to our 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 application in the Hon'ble Delhi High Court inter alia seeking to set aside of the Award. The matter is pending adjudication.

29. ***Our businesses are subject to a number of government approvals and licenses***

The businesses and industry in which we operate require and will require various licenses, permits and approvals in each jurisdiction where it operates. The loss or revocation of any existing licenses, permits or approvals or the failure to obtain any necessary licenses, permits or approvals in new jurisdictions where we intend to do business would have an adverse effect on our ability to conduct business and/or on our ability to expand into such jurisdictions. Authorization to commence operations or expand operations may be required and there is no assurance that we will be successful in obtaining such authorizations, licenses, permits or necessary approvals. Failure by us to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of our permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on our business. In addition, countries in which we operate or wish to operate may have regulatory systems that impose other impediments on our operations.

30. ***Equity Shareholders may be diluted by additional issuances of Equity Shares by our Company***

Since our incorporation, we have regularly allocated or issued stock options, and foreign currency convertible bonds to employees and investors respectively. Any future issuance of Equity Shares, including pursuant to the exercise of stock options or conversion of the FCCBs or any other similar scheme in the future, may dilute the shareholding of equity share holders, and could adversely affect the market price of the Equity Shares. As on December 31, 2014 our Company had $ 22.182 million outstanding FCCBs, representing entitlement to a maximum of 30,083,941 Equity Shares, at an initial conversion price of ₹ 38.51 per share and without considering the impact of upward reset clause in conversion price, which has also been referred to RBI for clarification.

As on the date of the Preliminary Placement Document there were 1,603,990 outstanding Gati ESOP representing 1,603,990 Equity Shares if exercised, at the respective prevailing exercise price. Any conversion of the bonds or exercise of stock options in the future will dilute your shareholding in our Company.

31. ***Our operations could be adversely affected by any statutory and/or regulatory requirements pertaining to employee benefits, labor, strikes, and work stoppages disputes with our employees and/or contract laborers.***

We have a large work force and our employee benefit expense is a significant component of our operating costs. An increase in employee benefit expense and labor unrest can reduce our profitability. Our operations are labor intensive. As of December 31, 2014, the total staff strength on our payrolls was 3,900 employees (excluding support staff engaged through contractors). Our employee benefit expense has been a significant component of our operating costs. Any increase in our staff strength, inflationary pressure, or on account of increased level of competition for skilled and semi-skilled employees in India, could increase our employee benefit expense and reduce our profitability or result in losses, which could, amongst others, impact our growth prospects.

Furthermore, India has stringent labor legislation that protects the interests of workers, including Legislation governing the establishment of unions, dispute resolution and employee removal and legislation imposing financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labor policies, and/or if other workers of our customers and vendors, who carry out work from our premises are unionized, we may face the threat of labor unrest, work stoppages and diversion of our management's attention, which may have an adverse impact on our business, results of operations and financial condition.

Further if we are unable to hire additional personnel or retain existing personnel in a timely manner, our operations and ability to expand our business may be impaired, and our revenues may decline, which could adversely affect our business and results of operations.

32. ***Claims relating to loss or damage to cargo, personal injury claims or other operating risks that are not adequately insured may adversely affect our business, results of operations and financial condition***

Our business is subject to various risks inherent in the goods and passenger transportation industry, including potential liability or damage to property arising from accidents or incidents involving vehicles operated by us. In our goods and cold chain storage transportation business, we may be exposed to claims related to cargo loss, theft and damage, property and casualty losses and general liability from our customers. While we do maintain insurance coverage for any damage during transportation, this may not be adequate. In the event of any damage or loss of goods, we may be required to compensate our customers our insurance coverage may not cover all losses or claims for compensation arising out of any accidents or other incidents. Further while we endeavor to limit and mitigate our liability for thefts and/or damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance, the indemnities set forth in our contracts and/or our insurance may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages. While we maintain insurance coverage at levels and for risks that we believe are customary in the businesses in which we operate, there can be no assurance that there will not be any claims relating to loss or damage to cargo, personal injury claims or other operating risks that are not adequately insured. There can also be no assurance that the terms of our insurance policies will be adequate to cover any such damage or loss suffered or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

Furthermore, any accident or incident involving our vehicles, even if we are fully insured or held not to be liable, could negatively affect our reputation among customers and the public, thereby making it more difficult for us to compete effectively, and could significantly affect the cost and availability of insurance in the future. To the extent that any such uninsured risks materialize, our business, results of operations and financial condition may be materially and adversely affected.

33. ***Accidents could result in the slowdown or stoppage of our operations and could also cause damage to life and property.***

We endeavor to meet necessary safety standards in relation to our operations. However, certain accidents or mishaps may be unavoidable or may occur on account of negligence or human error in complying with the prescribed safety standards or for other reasons. Such accidents or mishaps may result in, amongst others, an action of tort being initiated against us. We have witnessed such accidents in the past including death of workmen at one of the warehouses leased by us (in relation to which an insurance claim has been filed), at one of our cold storage warehouse, which was consequently contained.

Therefore, although we take steps to ensure safety, accidents, including human fatalities, may occur and there can be no assurance that our safety measures and the precautions undertaken will be completely effective or sufficient. Further, if we fail to maintain adequate insurance cover in relation to the foregoing, a claim filed by us with our insurer is rejected, a loss occurs, which does not fall under the insurance cover maintained by us, or our claim is subject to any deductible or delay in settlement, amongst other things, our exposure will increase. Any accident at our warehouses could also harm our reputation. Such accidents may have an adverse impact on our business and reputation.

34. ***Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.***

Our operations are subject to various risks and hazards which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various risks inherent, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

35. ***We are dependent on key members of our leadership team and other qualified personnel, and an inability to attract and retain qualified employees could materially adversely affect us.***

Our ability to operate our business and implement our strategies depends, in part, on the efforts of key members of our leadership team and other qualified personnel, and our future success will depend on, among other factors, our ability to attract and retain qualified management, sales representatives, agents, carrier representatives and other qualified personnel. The loss of the services of our key employees or the failure to retain and attract other qualified personnel could have a material adverse effect on our business, results of operations and financial condition. Moreover, the market for qualified individuals may be highly competitive and we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management or other key employees, should the need arise.

36. ***We have not entered into any definitive agreements to utilize the net proceeds of the Issue.***

We intend to use the net proceeds of the Issue to fund our e-Commerce business, to meet long term working capital requirements, repayment of debt and for general corporate purposes. For more information, see "*Use of Proceeds*" beginning on page 59. Pending use of the funds for these purposes, we intend to invest the funds in high quality, interest/ dividend bearing liquid instruments, including money market mutual funds and deposits with the banks for the applicable period. If we are unable to spend the amount on expansion, the balance funds will be used for general corporate purposes. The Use of Proceeds has not been appraised by any bank or other financial institution. We have not entered into any definitive agreements to use such net proceeds.

EXTERNAL RISKS

Risks Associated With the Industry

37. ***The logistics industry is subject to global economic conditions***

Global macro-economic condition have till recently been typified by weak economies in US and Eurozone, inflationary strains in developing countries and volatility in overall business environment. These factors negatively affect consumer confidence even domestically and can cause disruptions with our client businesses. Gati's business is not overly dependent on a single customer or single industry vertical, therefore lessening our exposure on industry-specific weakness.

38. ***Political instability or changes in the Indian central government could adversely affect economic conditions in India and consequently, our business.***

Our Company is incorporated in India and currently derives all of its revenues from operations in India and all of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. The current government has announced that its general intention is to continue India's current economic and financial sector liberalization and deregulation policies.

However, there can be no assurance that such policies will be continued, and a significant change in the government's policies could affect business and economic conditions in India, and could also adversely affect our financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the power generation and power generation equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

39. ***A slowdown in economic growth in India could cause our business to suffer.***

Our performance and growth are dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our Company‘s business and financial performance and the price of the Shares.

Further, in periods of high rates of inflation, our costs, such as operating expenses, may increase, which could have an adverse effect on our results of operations. Inflation may also have a bearing on the overall interest rates, which may adversely affect our net interest income.

As the Indian economy becomes increasingly connected to other global economies, our economy will be increasingly influenced by economic and market conditions in other countries. As a result, a recession in the United States of America and other countries in the developed world and a slowdown in economic growth in major emerging markets like China could have an adverse impact on economic growth in India.

A slowdown in the pace of growth in the Indian economy could result in lower demand for our services, which could adversely impact our business, our financial performance, our ability to implement our strategy and the trading price of the Equity Shares.

40. ***Sustained and high rates of inflation in India may adversely affect our business.***

India has experienced in the past and is currently experiencing high rates of inflation. We can provide no assurance that high rates of inflation will not continue or even increase in the future, which could have an adverse effect on our key cost drivers such as fuel, which may in turn negatively impact our profit margins and earnings to the extent that we are unable to pass on all or a portion of such incremental cost to our customers. This may have a negative impact on our business and our profitability. We cannot assure you that we will not incur additional costs and face pressure on our margins as a result of sustained inflationary prices the volatility in fuel prices. In addition, from time to time, the Government of India has taken measures to control inflation, which have included tightening monetary policy by raising interest rates, restricting the availability of credit and inhibiting economic growth. Inflation, measures to combat inflation and public speculation about possible governmental actions to combat inflation have also contributed significantly to economic uncertainty in India and heightened volatility in the Indian capital markets. Periods of higher inflation may also slow the growth rate of the Indian economy which could also lead to a reduction in demand for natural gas and a decrease in our sales thereof. Inflation may also increase some of our costs and expenses. Moreover, the reporting currency of our financial statements is the Indian Rupee, and fluctuations in the value of the Indian Rupee that result from inflation, could affect our results of operations and financial condition. To the extent demand for our products decreases or our costs and expenses increase and we are not able to pass those increases in costs and expenses on to our customers, our operating margins and operating income may be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

41. ***Hostilities, terrorist attacks, civil unrest, breaches of law and order and other acts of violence may adversely affect our business and the trading price of the Equity Shares.***

Terrorist attacks, civil unrest and other acts of violence or war within India and the surrounding region may adversely affect worldwide financial markets and may result in a loss of consumer confidence, which in turn may adversely affect our business, prospects, results of operations, cash flows and financial condition.

42. ***The market value of an investor's investment may fluctuate due to the volatility of the Indian and global securities markets.***

The Indian Stock Exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Such fluctuations and volatility could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. Moreover, there have been occasions when secondary market operations have been interrupted and/or affected due to temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian Stock Exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

The level of regulation and monitoring of the Indian securities markets and the activities of Investors, brokers and other participants is not as stringent compared to more mature economies. SEBI received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian securities markets. Subsequently, SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities markets. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in other countries.

43. ***Acts of terrorism and other similar threats to security could adversely affect our business, cash flows, results of operations and financial condition.***

The threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business. For example, in November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India's financial capital. In June 2011, a series of three coordinated bomb explosions occurred at different locations in Mumbai. Both attacks resulted in loss of life, property and business. Any escalation in these events or similar future events may disrupt our operations or those of our customers. These events have had and may continue to have an adverse impact on the global economy and customer confidence, which could in turn adversely affect our revenue, operating results and financial condition. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of our securities and may limit the capital resources available to us and to our customers.

44. ***Political instability or significant changes in the economic liberalisation and deregulation policies of the Government or in the government of the states where we operate could disrupt our business.***

Our Company is incorporated in India and derive our revenues in India. Consequently, our performance and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Indian Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies followed by the Government. Further, our businesses are also impacted by regulation and conditions in the various states in India where we operate. Government corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation.

The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalisation and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular

45. ***Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition.***

As stated in the reports of our Company's statutory auditors included in this Preliminary Placement Document, its financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Preliminary Placement Document to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries.

We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP or a summary of principal differences between Indian GAAP, IFRS and U.S. GAAP relevant to our business. Furthermore, we have not quantified or identified the impact of the differences between Indian GAAP and IFRS or between Indian GAAP and U.S. GAAP as applied to our financial statements. As there are significant differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP, there may be substantial differences in our results of operations, cash flows and financial position if we were to prepare our financial statements in accordance with IFRS or U.S. GAAP instead of Indian GAAP. The significant accounting policies applied in the preparation of our Indian GAAP financial statements are as set forth in our financial statements included in this Preliminary Placement Document. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisors for an understanding of the differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP and how they might affect the financial information contained in this Preliminary Placement Document.

46. ***Our business is subject to certain taxes, which may significantly affect our profits.***

Our business is subject to a multiplicity of taxes as taxes are levied at the national level, State level and at the local administration level. The taxes and levies include income tax, value added tax, service tax, stamp duty, motor vehicle tax, octroi and other special taxes and surcharges (such as tolls by the local body) which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

47. ***The transportation industry is affected by numerous factors that are beyond our control which may have an adverse impact on our business, results of operations and financial condition.***

Businesses operating in the transportation industry are affected by numerous factors that are out of our control, including weather conditions, both as currently experienced and as might be experienced due to climate change, traffic conditions, road closures and construction-related and other delays. Further, time-consuming and complex inter-state travel cause significant journey time delays and poor journey time reliability on road movements. These events cause additional costs, both in terms of actual fees and charges for services provided, and as a result of time delays and unreliability in delivery. We cannot assure you that these factors and conditions will not affect our consignment delivery and passenger transportation schedules, impact our ability to operate without disruption or otherwise have a material adverse effect on our business, financial condition and results of operations. In addition, many local, state and central transportation authorities levy tolls on vehicles for their use of highways and other roads. As the need for improvements to these highways and other roads arise, we expect that many of these tolls may be increased and that other transportation authorities will levy additional tolls and fees on vehicles for use of the roadways. We cannot assure you that we will be able to pass any portion these additional expenses on to our customers, and any failure to do so could have a material adverse effect on our business, financial condition and results of operations.

48. ***Public companies in India, including us, may be required to prepare financial statements under IFRS or a variation thereof, IND-AS. The transition to IND-AS in India is still unclear and we may be adversely affected by this transition.***

We may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the MCA. The MCA has announced that it will implement IND-AS in a phased manner after various issues including tax-related issues are resolved. No date has yet been announced for implementation. We have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. Further, the new accounting standards will change, among other things, our revenue methodology. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. In our transition to IND-AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IND-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our adoption of IND-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS could adversely affect our business, financial condition and results of operations.

49. ***Volatile prices of crude oil could adversely affect the Indian economy, which could adversely affect our business.***

India imports a substantial portion of its crude oil requirement. While oil prices have declined from their peak levels, any subsequent sharp increases or volatility in oil prices and the pass-through of such increases to Indian consumers could have a material negative impact on the Indian economy, including through a rise in inflation and market interest rates and a higher trade deficit. Volatility in oil price or substantial increase in oil prices could affect the Indian economy. This could adversely affect our business, including our ability to grow, our financial condition and the price of the Equity Shares.

50. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us***

The direct adverse impact of the global financial crisis on India has seen the reversal of capital inflows and decline in exports, leading to pressures on the balance of payments and a sharp depreciation of the Indian Rupee vis-à-vis the US Dollar. Any increased intervention by the RBI in the foreign exchange market to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy, which could adversely affect the Indian economy, our business, our financial performance and our Equity Shares.

51. ***A significant change in the government's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.***

Our business and customers are predominantly located in India or are related to and influenced by the Indian economy. The central and state governments have traditionally exercised, and continue to exercise, a dominant influence over many aspects of the economy. Government policies could adversely affect business and economic conditions in India, our ability to implement our strategy and our future financial performance. Since 1991, successive central governments in India have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. For the past several years, coalition based political arrangement between political parties has largely prevailed in central and state governments in India. The leadership of a government and the composition of the coalition in power are subject to change and election results. Further, it is difficult to predict the business and economic policies that will be pursued by the central and state governments in India. The rate of economic liberalization could change and specific laws and policies affecting the warehousing industry and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

52. ***Investors may not be able to enforce a judgment of a foreign court against our Company.***

Our Company is a limited liability company incorporated under the laws of India. Other than one, all of our Directors and executive officers are residents of India and a substantial portion of the assets of such persons and of our Company are located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons outside India or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that a court of competent jurisdiction pronounced the judgment, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees which are not of the same nature as amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country, which is not a reciprocating territory, may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered and any such amount may be subject to income tax in accordance with applicable laws.

53. ***The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notifications, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures, corporate governance norms, audit matters, and related party transactions. Further, the Companies Act, 2013 has also introduced additional requirements which do not have corresponding equivalents under the Companies Act, 1956, including the introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), and prohibitions on advances to directors. We are also required to spend 2% of our average net profits during three immediately preceding financial years on corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on companies, Directors and officers in default, for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

We may face challenges in anticipating the changes required by, interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

54. ***The proposed new taxation system in India could adversely affect our business and the trading price of the Equity Shares.***

Tax and other levies imposed by the central and state governments and local bodies in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time as well as local body taxes such as property tax and octroi. Moreover, the central and state and local body tax scheme in India is extensive and subject to change from time to time. The Government has proposed the goods and services tax and provisions relating to GAAR.

In the latest budget, the Government has tentatively specified GST implementation from April 1, 2016, which would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments. GAAR provisions were introduced in the Finance Act, 2012 to come into effect from April 1, 2016. The implementation of GAAR has not been deferred by two years. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. Since certain systems may undergo significant overhaul, its consequent effects on our Company cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

B. Risks Relating To Equity Shares of our Company

55. ***After this Issue, the price of our Equity Shares may be highly volatile.***

The price of our Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the logistics sector;
- adverse media reports on us or the Indian logistics sector;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations and
- the performance of the Indian and global economy.

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the price at which our Equity Shares have historically traded will correspond to the price at which Equity Shares are offered in this Issue or the price at which our Equity Shares will trade in the market subsequent to this Issue. Our Share price may be volatile and may decline post listing.

56. ***Future issuances or sales of Equity Shares could significantly affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company or the disposal of Equity Shares by any of the major shareholders of our Company or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares.

There can be no assurance that our Company will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

57. ***There is no guarantee that Equity Shares issued pursuant to the Issue will be listed on the BSE and the NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for trading of Equity Shares issued pursuant to the Issue will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which Equity Shares will trade in the future.

58. ***Conditions in the Indian securities market may affect the price or liquidity of Equity Shares.***

The Indian securities markets are smaller and may be more volatile than securities markets in more developed economies. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges have experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Similarly, adverse conditions in global securities market have also adversely affected sentiments in Indian markets. If similar problems occur in the future, the market price and liquidity of Equity Shares could be adversely affected. Historical trading prices, therefore, may not be indicative of the prices at which Equity Shares will trade in the future.

59. ***There may be less company information available in the Indian securities markets than securities markets in developed countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United Kingdom and other more developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries.

60. ***An investor will not be able to sell any Equity Shares subscribed in the Issue other than across a recognised Indian stock exchange for a period of 12 months from the date of allotment of Equity Shares in the Issue.***

Pursuant to the SEBI (ICDR) Regulations, for a period of 12 months from the date of the allotment of Equity Shares in the Issue, QIBs subscribing for Equity Shares in the Issue may only sell their Equity Shares on any recognised stock exchange in India where Equity Shares of our Company are listed, and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of Equity Shares.

61. ***Our past history of dividend declaration / payment does not assure that our Company will pay dividends to its shareholders in the near future.***

We have declared / paid dividends in the last five fiscal years. However, there can be no assurance that dividend will be paid in the future. The declaration and payment of dividends, if any in the future will be recommended by our Board of Directors, at their discretion and will depend on a number of factors, including legal requirements, its earnings, cash generated from operations, capital requirements and overall financial condition.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is capital intensive and we may make additional capital expenditure to complete various projects. Our ability to pay dividends is also restricted under certain financing arrangements. We may be unable to pay dividends in the near- or medium-term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our projects, financial condition and results of operations.

62. ***Investors may be subject to Indian taxes arising out of the acquisition, holding and disposal of our Equity Shares.***

Non-resident investors may be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes. Potential investors should consult their professional tax advisors for the legal implications of, and taxation applicable to, the acquisition, holding and disposal of our Equity Shares.

In particular, interest and dividends payable to non-resident investors may be subject to withholding tax.

Further, capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("**STT**") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains upon a sale of Equity Shares. For more information, see "*Statement of Tax Benefits*" on page 136 of this Preliminary Placement Document. However, capital gains on the sale of Equity Shares purchased in the Issue by residents of certain countries will not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries.

63. ***A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may discourage a third party from attempting to take control of our Company, even if a change in control would result in the purchase of Equity Shares at a premium to the market price or would otherwise be beneficial to investors. The Takeover Regulations contains certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. Any person acquiring either "control" or an interest (either on its own or together with parties acting in concert with it) in 25% or more of Equity Shares of our Company must make an open offer to acquire at least another 26% of the outstanding Equity Shares of our Company. A takeover offer to acquire at least another 26% of the outstanding Equity Shares of our Company (or a lower percentage in certain circumstances) also must be made in the circumstances detailed in the section on "*The Securities Market of India*" on page 130. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of our Company. For more information, see "*The Securities Market of India*".

64. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely impact the market price of Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority.

Our Company cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

65. ***Risks relating to trading of our Equity Shares***

There may not be an active or liquid market for our Equity Shares, which may cause the price of Equity Shares to fall and may limit your ability to sell Equity Shares. The offer price of Equity Shares being issued in this Issue will be determined by us in consultation with the BRLMs based on the Bids received in compliance with Chapter VIII of the SEBI Regulations, and it may not necessarily be indicative of the market price of Equity Shares after this Issue is complete. You may be unable to resell your Equity Shares at or above the offer price and, as a result, you may lose all or part of your investment. The price at which Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors and industries in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of our future revenues and cost structures;
- the present state of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in Equity Shares may experience volatility in the value of Equity Shares regardless of our operating performance or prospects.

We are subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The maximum movement allowed in the price of Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of Equity Shares.

66. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Company's Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

67. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of the Equity Shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of the Equity Shares is not in compliance with such pricing guidelines or reporting requirements and does not fall under any of the specified exceptions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of the Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. These foreign investment restrictions may adversely affect the liquidity and free transferability of the Equity Shares and could result in an adverse effect on the price of the Equity Shares.

68. ***Holders of Equity Shares could be restricted in their ability to exercise preemptive rights under extant laws and could thereby suffer future dilution of their ownership interest.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the company has obtained Government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such preemptive rights without us filing an offering document with the applicable authority in such jurisdiction, you will be unable to exercise such preemptive rights unless we make such filing. We may elect not to file an offering document in relation to preemptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise preemptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on the BSE and the NSE.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE and the NSE on the dates on which such high and low prices were recorded for calendar years ended December 2012, 2013 and 2014:

Exchange	NSE			BSE		
Year	**CY2012**	**CY2013**	**CY2014**	**CY2012**	**CY2013**	**CY2014**
High (₹)	49.70	49.50	342.00	49.45	49.40	341.60
Date of High	13-Feb-12	31-Dec-13	18-Nov-14	13-Feb-12	31-Dec-13	18-Nov-14
Total Volume on date of High (Number of Equity Shares traded on the date of high)	6,410,864	6,915,539	7,329,368	3,493,090	2,147,162	1,811,639
Total Volume on date of High (₹ million)	28.88	32.63	242.81	155.43	101.43	599.89
Low (₹)	27.70	22.65	43.50	27.15	22.65	43.55
Date of Low	02-Jan-12	01-Aug-13	03-Jan-14	02-Jan-12	02-Aug-13	03-Jan-14
Total Volume on date of Low (Number of Equity Shares traded on the date of low)	36,255	90,225	3,918,208	53,597	58,513	1,580,225
Total Volume on date of Low (₹ million)	0.10	0.21	18.62	1.81	1.38	74.65
Average Price for the year (₹)	36.23	28.44	135.12	36.22	28.45	135.01
Total shares traded in CY (number)	109,671,907	71,352,845	397,222,377	52,016,136	28,589,411	139,133,354
Total shares traded in CY (₹ million)	422.96	237.56	5500.82	2,004.64	929.39	18,168.93
	Source: www.nseindia.com			*Source: www.bseindia.com*		

Notes:

1. High based on maximum intraday high, low based on minimum intraday low and average prices are of the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been considered.

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months:

NSE						
Month	**Oct-14**	**Nov-14**	**Dec-14**	**Jan-15**	**Feb-15**	**Mar-15**
High (₹)	212.65	342.00	288.40	304.90	263.90	251.70
Date of High	29-Oct-14	18-Nov-14	12-Dec-14	21-Jan-15	16-Feb-15	04-Mar-15
Total Volume on date of High (Number of Equity Shares traded on the date of high)	2,951,560	7,329,368	2,211,546	2,790,844	1,545,051	819,052
Total Volume on date of High (₹ million)	60.88	242.81	61.64	83.88	39.87	20.03
Low (₹)	170.40	196.00	217.00	246.45	220.10	195.55
Date of Low	17-Oct-14	10-Nov-14	17-Dec-14	30-Jan-15	10-Feb-15	27-Mar-15
Total Volume on date of Low (Number of Equity Shares traded on the date of low)	783,496	507,493	2,136,693	1,131,695	1,059,501	838,035

NSE						
Month	**Oct-14**	**Nov-14**	**Dec-14**	**Jan-15**	**Feb-15**	**Mar-15**
Total Volume on date of Low (₹ million)	13.76	10.17	52.27	28.78	24.30	17.12
Average Price for the Month (₹)	188.27	263.00	263.72	276.80	246.18	226.58
Total shares traded in Month (number)	14,799,589	57,687,786	33,823,987	32,884,330	18,764,747	16,363,504
Total shares traded in Month (₹ million)	287.52	1,626.73	909.67	927.72	467.26	377.00
Source: www.nseindia.com						

BSE						
Month	**Oct-14**	**Nov-14**	**Dec-14**	**Jan-15**	**Feb-15**	**Mar-15**
High (₹)	212.50	341.60	288.40	304.90	264.10	251.70
Date of High	29-Oct-14	18-Nov-14	12-Dec-14	21-Jan-15	16-Feb-15	04-Mar-15
Total Volume on date of High (Number of Equity Shares traded on the date of high)	910,226	1,811,639	692,752	763,102	470,996	238,654
Total Volume on date of High (₹ million)	187.43	599.89	192.59	229.40	121.60	58.48
Low (₹)	170.50	195.75	217.00	247.00	220.50	195.30
Date of Low	17-Oct-14	10-Nov-14	17-Dec-14	30-Jan-15	10-Feb-15	27-Mar-15
Total Volume on date of Low (Number of Equity Shares traded on the date of low)	236,040	167,833	827,550	380,097	332,730	306,116
Total Volume on date of Low (₹ million)	41.46	33.65	201.97	96.21	76.53	62.38
Average Price for the Month (₹)	188.07	262.76	263.59	276.61	246.08	226.51
Total shares traded in Month (number)	4,582,727	17,357,571	10,524,707	9,264,078	6,064,239	4,886,743
Total shares traded in Month (₹ million)	887.72	4,864.99	2,817.16	2,608.26	1,509.40	1,121.57
Source: www.bseindia.com						

Notes:

1. High based on maximum intraday high, low based on minimum intraday low and average prices are of the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been considered.

The following table sets forth the market price on the Stock Exchanges on January 27, 2015 the first working day following the approval of the Board of Directors for the Issue:

	Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹ million)**
BSE	278.70	280.00	270.20	272.20	479,589	132.05
NSE	276.00	279.75	270.00	271.85	1,420,612	391.12

Source: www.bseindia.com and www.nseindia.com

USE OF PROCEEDS

The gross proceeds from this Issue will be ₹ [●] million.

The net proceeds from this Issue, after deducting fees, commissions and expenses of this Issue, will be approximately ₹ [●] million (the "**Net Proceeds**").

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds from the Issue to fund our e-Commerce business, to meet long term working capital requirements, repayment of debt and for general corporate purposes. Our main objects clause and objects incidental or ancillary to the main objects clause of our Memorandum of Association enables us to undertake our existing activities.

In accordance with the policies instituted by our Board and as may be permissible under applicable laws and government policies, our management will have the flexibility in deploying the Issue proceeds for the purposes mentioned above.

Pending utilization for the purposes described above, we intend to temporarily invest funds in high quality, interest/dividend bearing liquid instruments, creditworthy instruments, including money market Mutual Funds and deposits with banks and any corporate deposits. Such investments would be in accordance with the investment policies as approved by the Board from time to time and all applicable laws and regulations.

Neither our Promoter nor Directors are making any contribution either as part of this Issue or separately in furtherance of the objects of this Issue.

CAPITALISATION STATEMENT

The Board of Directors has, at its meeting on January 24, 2015 approved this Issue and the Company's shareholders, pursuant to a special resolution passed on March 20, 2015 approved this Issue. Upon the completion of this Issue, the Board of Directors or a committee thereof shall pass a resolution authorizing the Allotment of the Equity Shares, pursuant to this Issue.

The following table sets forth our capitalization as of December 31, 2014 based on our Condensed Consolidated Financial Statements, and our capitalization as adjusted to reflect the receipt of the net proceeds of this Issue and the application thereof.

This capitalization table should be read together with the sections "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial statements*" on page 64 and 159, respectively of this Preliminary Placement Document and related notes included elsewhere in this Preliminary Placement Document.

(₹ in million)

Particulars	**As of December 31, 2014**	**As Adjusted for the Issue***
Short term debt:		
Secured	1,041.9	
Unsecured	-	
Long term debt:		
Secured	964.2	
Unsecured	1,720.6	
Current Maturities of Long Term Debt	735.8	
Total debt (A)	**4,462.5**	
Shareholders' funds:		
Share capital	174.5	
Securities premium	1,563.3	
Reserves and surplus	1,876	
Total shareholder's funds (B)	**3,613.8**	
Total capitalization (A) + (B)	**8,076.3**	

** To be inserted upon finalization of Issue Price*

There will be no further issue of Equity Shares whether by way of public issue, issue of bonus shares, preferential allotment, rights issue, qualified institutions placement or in any other manner during the period commencing from the date of filing of the Preliminary Placement Document with the Stock Exchanges until the Equity Shares offered in the Issue have been listed on the Stock Exchanges or the Application monies are refunded, on account of inter alia, refusal of the listing of such Equity Shares by the Stock Exchanges.

CAPITAL STRUCTURE

The Equity Share capital of the Company as at the date of this Preliminary Placement Document is set forth below:

(In ₹ except share data)

	Aggregate value at face value
A. AUTHORIZED SHARE CAPITAL	
125,000,000 Equity Shares of ₹ 2 each	250,000,000
500,000 Preference shares of ₹ 100 each	50,000,000
TOTAL	**300,000,000**
B. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE	
Issued, subscribed and paid up share capital:	
87,477,537 Equity Shares of ₹ 2 each (1)(2)	174,955,074
Preference shares of ₹ 100 each	NIL
TOTAL	174,955,074
C. PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT [●] Equity Shares aggregating to approximately ₹ [●](3)	[●]
D. PAID-UP CAPITAL AFTER THIS ISSUE [●] Equity Shares	[●]
E. SECURITIES PREMIUM ACCOUNT	
Before this Issue (on a standalone basis in ₹ million)	1,360.20
After this Issue (on a standalone basis in ₹ million)	[●]

Note:

(1) *Additionally, up to 1,603,990 Equity Shares may be issued by the Company on exercise of stock options granted under the Gati ESOP*

(2) *The The face value of the Equity Shares had been split from ₹ 10 to ₹ 2 in Fiscal 2006, please refer to the table "Equity Share Capital History of the Company" below for further details.*

(3) *This Issue has been approved by the Board of Directors on January 24, 2015 and by shareholders at the Extraordinary General Meeting on March 20, 2015*

Equity Share Capital History of the Company

The history of the Equity Share capital of the Company is provided in the following table:

Date of Allotment	No. of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration
25-Apr-95	700	10	10.00	Cash
01-Jan-96	600	10	10.00	Cash
12-Sep-98	2,501,899	10	10.00	Other than Cash(1)
14-Feb-00	3,067,801	10	20.00	Cash
26-Oct-00	2,785,500	10	10.00	Other than Cash(2)
14-Sep-05	4,177,492	10	54.00	Cash
18-Jan-06	68,970	10	35.50	Cash
02-Mar-06	1,571,187	10	423.00	Cash
Sub Total :	**14,174,149**			
The face value of the Equity Shares has been split from ₹ 10 to ₹ 2				
As on March 31, 2006	70,870,745			
20-Jan-07	424,800	2	7.10	Cash
	105,000	2	12.24	Cash
29-Mar-07	985,000	2	84.60	Cash

Date of Allotment	No. of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration
01-Sep-07	3,086,185	2	84.61	Cash
12-Dec-07	328,950	2	31.20	Cash
21-Jan-08	1,786,800	2	125.00	Cash
21-Jan-08	299,850	2	7.10	Cash
	140,000	2	12.24	Cash
31-Mar-08	2,493,000	2	90.00	Cash
22-Apr-08	4,135,000	2	90.00	Cash
20-Jan-09	105,000	2	12.24	Cash
	115,720	2	31.20	Cash
24-Dec-09	278,850	2	31.20	Cash
31-Mar-11	850,000	2	58.00	Cash
14-Oct-11	36,000	2	35.05	Cash
01-Nov-11	541,387	2	35.05	Cash
06-Feb-14	501,900	2	35.05	Cash
26-Mar-14	179,900	2	35.05	Cash
24-Jan-15	213,450	2	28.00	Cash
TOTAL :	**87,477,537**			

(1) Equity Shares as per Scheme of Arrangement
(2) Equity Shares issued as bonus

DIVIDEND POLICY

Dividend Policy

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders at their discretion and will depend on the Company's revenues, cashflows, financial condition (including capital position) and other factors. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act and Articles of Association of the Company.

The following table details the special interim dividend declared for Fiscal 2015 and dividend declared by the Company on the Equity Shares for the Fiscal 2014, 2013 and 2012:

Financial Year	Dividend per Equity Share (In ₹)	Total Amount of Dividend(1) (In ₹ million)
2014-15 (Special Interim Dividend)	0.60 Per equity share of ₹ 2 each	52.35
2013-14	0.70 per equity share of ₹ 2 each	61.08
2012-13	0.60 per equity share of ₹ 2 each	51.95
2011-12	1.10 per equity share of ₹ 2 each	95.24

Notes:

(1) Dividends excluding corporate dividend tax.

For a summary of certain Indian consequences of dividend distributions to shareholders, see the section "*Statement of Tax Benefits*" on page 136 of this Preliminary Placement Document.

Further, the amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited Consolidated Financial Statements as of and for the financial years ended March 31, 2014, June 30, 2013 and June 30, 2012 including the schedules and notes thereto and report thereon and our Condensed Consolidated Financial Statements as of and for the nine months ended December 31, 2014 including the schedules and notes thereto and report thereon, included elsewhere in this Placement Document. Our Financial Statements are prepared in accordance with Indian GAAP, which differs in certain material respects with IFRS and U.S. GAAP. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" included elsewhere in this Preliminary Placement Document.

***Our financial year ends on March 31 of each year from March 31, 2014. Prior to changing our accounting period, our financial year ended on June 30 every year. Accordingly, all references to Fiscal 2014 are for the truncated financial year from July 1, 2013 to March 31, 2014 and other prior fiscal years for the period July 1 to June 30 of the respective years*.**

Overview

We are one of the leading express distribution services providers in India. Our company along with its subsidiaries provides surface and air express services, e-Commerce logistics, supply chain solutions, cold chain transportation, international freight forwarding, and customs clearance services. We believe, we are one among the few express distribution companies in India that offer comprehensive multi-modal (land, ocean, air and rail) freight services to over 9,000 customers spread across the automotive, healthcare, engineering, apparel and consumer durables industries. Founded in 1989 as a cargo management company, we have since expanded our operations to become an integrated logistic solution provider providing superior service and reach advantage on its flagship business along with niche value additions such as contract logistics, Importer/ Exporter of Record, and Inventory Management. We believe our significant experience and execution capabilities have enabled us to develop firm relationships with a diverse customer base and offer services that are tailored to meet customer-specific requirement.

We have a strong network of more than 550 operating units in over six countries in the Asia Pacific Region. Headquartered in Hyderabad, our domestic operations are controlled through 4 zonal offices, 16 express distribution centres, 61 distribution warehouses, 32 air transit centres, 7 rail transit centres, 133 customer convenience centre owned (depot), 264 customer convenience centres franchised (franchisees), one centralised call centre, with combined warehousing space of about three million square feet across the country. We serve this network with a fleet of more than 5,000 vehicles and partner with over 2,700 business associates for first and last mile pick-up and delivery services, apart from associates providing line-haul and feeder vehicles that helped us deliver more than 66.65 million packages in Fiscal 2015.

We operate our four business verticals i.e. express distribution and supply chain solutions, e-Commerce logistics, cold chain solutions and other logistics services through our Company and our subsidiaries where we have a controlling stake.

We have over the years received several awards in recognition of our business and operations, including, *Best Road Service Provider of the Year*, *Supply Chain Innovation of the Year* and *ELSC (Express Logistics & Supply Chain) Company of the Year* awarded by 8th Express Logistics & Supply Chain Conclave*; Scale Award for Supply Chain & Logistics Excellence; Top Assessee of Service Tax* awarded by the Committee of Commissioners, Hyderabad, *Best CSR Project for Sustainable Development* in Fiscal 2015. Gati-KWE and Gati Kausar India Limited have received certificates and accreditations in respect of its management systems comprising of quality management system conforming to ISO 9001:2008.

Our accounting year, prior to June 30, 2013 was between July 1 and June 30, subsequently in Fiscal 2014, we changed the year ending to March due to changes in extant laws. Consequently the numbers for Fiscal 2014 are for nine months, i.e. July 1, 2013 to March 31, 2014. For nine months ended December 31, 2014, Fiscal 2014 (nine months), Fiscal 2013 and Fiscal 2012, our total income was ₹ 12,429.82 million; ₹ 11,271.81 million; ₹ 12,895.13 million and ₹ 12,890.75 million respectively.

Factors affecting our Results of Operations

Our business income is generated from the following segments:

(₹ in Million)

Particulars	Fiscal 2012		Fiscal 2013		Fiscal 2014		9M Fiscal 2015	
	₹	%	₹	%	₹	%	₹	%
Express Distribution & Supply Chain Solutions	9,231.41	78.22	10033.78	78.82	8,426.34	75.47	8,814.28	71.46
e-Commerce logistics	115.00	0.97	254.00	2.00	407.60	3.65	1,274.18	10.33
Cold chain solutions	395.25	3.35	447.99	3.52	349.40	3.13	327.74	2.66
International services (Shipping)	209.43	1.77	240.47	1.89	191.53	1.72	17.30	0.14
Trading solutions	381.96	3.24	90.67	0.71	306.34	2.74	361.30	2.93
Fuel Stations	1,478.12	12.52	1,670.76	13.13	1,492.68	13.37	1,566.10	12.70
Sub-Total	**11,811.17**		**12,737.67**		**11,173.89**		**12,360.90**	
Less: Inter-segment revenues adjusted	(9.39)	(0.07)	(8.22)	(0.06)	(8.17)	(0.07)	(26.20)	(0.21)
Total Income	**11,801.78**	**100**	**12,729.46**	**100**	**11,165.72**	**100**	**12,334.70**	**100**

Our business, prospects, results of operations and financial condition are affected by a number of factors, including the following key factors:

Domestic trade volumes

Our future operating results are dependent upon the economic environment of the markets in which we operate and the volume of domestic trade and movement of goods and documents. We primarily provide services to customers engaged in domestic e-Commerce and trade. Everything that affects domestic e-Commerce and trade has the potential to expand or contract our primary market and impact our operating results. We have summarized, what we believe are, potential influencing factors for each of the businesses that we operate in:

For our e-Commerce logistics business

→ Number and engagement of buyers and sellers and GMV transacted on the portals of our customers
→ Expansion of connectivity of tier-II and tier-III towns and cities, which we believe will drive our next phase of growth
→ Increase in conversion of visitors to buyers and increase in repeat buyers on the portals of our consumers

For our cold chain business: Over the last decade, the demand for quality food products has increased and consumer spending in Tier II and Tier III cities has been steadily on the rise, and this trend is expected to continue. However, a vast majority of the temperature controlled logistics service providers are regional and / or unorganised operators. Hence, our ability to successfully penetrate Tier II and Tier III cities while maintaining growth in Tier I cities will be crucial for the growth of our cold chain business

For our express logistics business: The transport of freight, both domestically and internationally, is highly competitive and price sensitive. Historically, competition has put pressure on freight rates. Further, in the event fuel prices rise, carriers can be expected to charge higher prices to cover higher operating expenses. Because transportation costs represent such a significant portion of our costs, even a relatively small increase in transportation costs, or on our ability to pass them through to customers, would have a significant effect on our margins and operating income.

For our international trade business: International trade is influenced by currency exchange rate and currency control regulations; changes in and application of international and domestic customs, trade and security regulations; changes in consumer attitudes regarding goods made in countries other than their own; changes in the price and readily available quantities of oil and other petroleum-related products; and economic conditions in the industries in which our customers operate. Everything that affects international trade has the potential to expand or contract our primary market and impact our operating results.

Delivery executives and agents

Our ability to expand our business and revenues will depend, in part, on our ability to attract additional delivery executives and agents with established client relationships. As we expand our operations, particularly the last mile connectivity for our e-Commerce logistics business, we will be required to expand our work force to meet the increased work load. Competition for qualified delivery executives and agents can be intense, and we may be unable to hire such persons, or do so at reasonable rates. Any difficulties we experience in expanding the number of our delivery executives and agents could have a negative impact on our ability to expand our client base, increase our revenue and continue our growth.

Economic conditions globally and in India

Our operations and performance depend significantly on economic conditions. Uncertainty about global economic conditions poses a risk as consumers and businesses may postpone spending in response to tight credit, negative financial news and/or declines in income or asset values, which could have a material negative effect on demand for transportation services. We are unable to predict the likely duration and severity of the disruptions in the financial markets and if any uncertainty is created, as has been in the past, or economic conditions of the industries that our customers operate in further deteriorate, our business and results of operations could be materially and adversely affected. Other factors that could influence demand include continuing fluctuations in fuel costs, labor costs, consumer confidence, and other macro-economic factors affecting consumer spending behavior. Changes in economic conditions may impact freight volumes and adversely affect our revenues.

Conversely, economic conditions may have a positive effect on international trade and benefit the industries of our customers and third party suppliers, which would have a favorable impact on our results of operations.

Other Factors

For a discussion of other factors that affect or could affect our results of operations and financial condition, such as changes in government laws or regulations, see section titled "*Risk Factors*" on page 36 of this Preliminary Placement Document.

Comparability

The discussion below in this section compares:

i. the financial condition, results of operations and cash flows for the year ended June 30, 2013, based on our Audited Consolidated Financial Statements as of and for the year ended June 30, 2013, with that as of and for the year ended June 30, 2012, each presented in accordance with the format prescribed by the Revised Schedule VI;

ii. We have changed our accounting period ending from June 30 to March 31. This came into effect from March 31, 2014. Consequently, the financials for the Fiscal 2014 represent the nine month period from July 01, 2013 to March 31, 2014. Given the uneven nature of the periods, we have not compared these periods with each other, and have restricted the commentary to major events that have had a material bearing on our financials in the nine month period from July 01, 2013 to March 31, 2014.

Significant Accounting Policies

The financial statements of our Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2014 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by our Company unless otherwise stated. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of our Company as per the guidance as set out in the Revised Schedule VI to the Companies Act.

Our management has evaluated the accounting policies used in the preparation of our financial statements and related notes and believes those policies to be reasonable and appropriate. In applying accounting principles in accordance with Indian GAAP, we are required to make estimates and assumptions about future events that affect the amounts reported in our financial statements and the accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, our management must make estimates which require the exercise of judgment. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates, and any such differences may be material to the financial statements. Any revision to accounting estimates is recognized prospectively in the current and future periods.

We consider an accounting estimate to be critical if: (a) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (b) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

There are other items in our financial statements that require estimation, but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements.

We believe the following are our critical accounting policies

Recognition of Income & Expenditure

a) Income and expenditure are generally recognised on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
b) Freight Income is accounted when goods are delivered by the Company to customers.
c) Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
d) Having regard to the size of operations and the nature and complexities of the company's business, freight received/paid in advance is accounted as income/expenses on payment and interdivisional transfers are eliminated.
e) Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment**:** A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation. The Principal assumption used in determining gratuity and leave encashment for the company's plan are as follows: Discount Rate at 9%; Future Salary Increase at 8%; Employee Turnover at 7% and Average Balance Service (For Gratuity) is at 24.92 years.

Fixed Assets

a) Fixed assets are stated at cost and / or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.
b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from revaluation reserve created on revaluation of Fixed Assets to Statement of Profit and Loss.

Depreciation: Depreciation is provided on straight line method at rates specified in Schedule II to the Companies Act, 2013. Depreciation on additions/deductions is calculated pro-rata from/to the date of addition/deduction. Individual assets costing up to ₹ 5,000 are depreciated fully in the year of acquisition. With effect from April 01, 2014, the useful life of the fixed assets has been revised in accordance with the Schedule II of the Companies Act, 2013.

Investments: Investments are stated at cost or at the fair values.

Inventories: Petroleum products are valued at lower of cost and net realisable value.

Foreign Exchange Transaction

a) Foreign currency transactions are recorded at average rate for the month.
b) Monetary items in foreign currency at the year-end are converted in Indian currency at the year-end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.
ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance life of the long-term monetary item, not beyond 31 March 2020.

c) Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit & Loss.
d) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

Taxation: Income Tax Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognised in the year in which the change is effected.

Impairment of Assets: Impairment of Assets are assessed at each balance sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount.

Contingent liabilities**:** A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of our Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

Consolidation: The Audited Consolidated Financial Statements and Condensed Consolidated Financial Statements have been prepared on the following principles.

a) In respect of subsidiary company, the financial statements have been consolidated on a line by line basis by adding together the book values of like items of Assets, Liabilities, Income and expenditure, after fully eliminating intra-group balances and intra group transactions resulting in unrealized profits/losses, as per Accounting Standard 21 "Consolidated Financial Statement", notified by Companies (Accounting Standards) rules, 2006.

b) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Translation reserve".

c) The excess of cost to the company of its investment in Subsidiary and Associate is recognized in the financial statement as Goodwill, which is tested for impairment on every Balance Sheet date. The excess of company's share of equity and reserves of the Subsidiary and Associate companies over the cost of acquisition is treated as Capital Reserve.

d) Minority's share of assets, liabilities, related reserves and profit/loss during the year have been consolidated together and has been shown under Minority interest with corresponding deduction from the respective line items of financials.

Income and Expenditure Statement

Revenue

Our income from operations mainly include: Freight, Demurrage and Miscellaneous Charges Warehousing, Logistics & Other Services Shipping Freight, Charter Hire, Miscellaneous charges, Other Operating Income, and Sale of Products, however in May, 2014, we discontinued our shipping operations.

Our other income includes: Rent, Profit on sale of Fixed Asset (Net), Dividends, Interest, Difference in Exchange (Net), and Miscellaneous Income

Expenses

Purchase of Stock in Trade: Our purchase of stock in trade includes the purchase and stock of Diesel, Petrol, Lubricants and others to primarily cater to our fuel station business.

Operating Expenses: Our primary operating expenses include Freight, Vehicles' trip Expenses, Tyres and Tubes, Warehouse Rent, Other Operating Expenses, Claims for Loss & Damages (Net), Commissions, Vehicle Taxes, Vehicles' and ships Insurance, Power Fuel and Water Expenses, Stores and Spare Parts Consumed, Transport and Warehousing and Port and Survey Expenses.

Employee Benefits Expense: The employee benefits expenses includes Salaries, Wages and Bonus, Gratuity Contribution to Provident and Other Funds Contribution to Employees' State Insurance, Other Expenses.

Finance Costs: The finance costs include the Interest and Other borrowing Costs on our borrowings, reduced by the extent of expenses capitalised during the period/year. The expenses that are capitalised mainly on account of capitalization of expenditure on the head office building and ware houses at Salcette, Goa; Binola, Haryana and Dodbalapur, Karnataka.

Depreciation and Amortization Expense: Depreciation/amortization expenses include depreciation of tangible assets and amortisation of intangible assets.

Other Expenses: All other expenses that are not classified above like Rent, Rates and Taxes, Insurance, Telephone expenses, Printing and Stationery, Travelling Expenses, Legal Expenses, Advertisement Expenses, Office Maintenance and Repairs, Electricity Expenses, Remuneration to Directors, Commission to Non-Whole-time Directors etc. are categorized as other expenses.

Results of Operation

The following table sets forth, for the periods indicated, certain items from our Audited Consolidated Financial Statements for Fiscal 2014, 2013 and 2012 and from the Condensed Consolidated Financial Statements for the period ended December 31, 2014, in each case also stated as a percentage of our total revenue:

Particulars	**For nine months ended**		**For the year ended on**					
	31-Dec-14		**31-Mar-14**		**30-Jun-13**		**30-Jun-12**	
	In ₹ million	**%**	**In ₹ million**	**%**	**In ₹ million**	**%**	**In ₹ million**	**%**
REVENUE								
Revenue from Operations	12,334.74	99.2%	11,165.72	99.1%	12,729.46	98.7%	11,801.78	91.6%
Other Income	95.08	0.8%	106.09	0.9%	165.67	1.3%	1,088.97	8.4%
Total income	**12,429.82**	**100.0%**	**11,271.81**	**100.0%**	**12,895.13**	**100.0%**	**12,890.75**	**100.0%**
EXPENSES								
Purchase of Stock in Trade	1,809.75	14.6%	1,749.41	15.5%	1,741.55	13.5%	1,796.60	13.9%
Change in Inventories of Stock-in-trade	(11.04)	-0.1%	(1.33)	0.0%	(27.55)	-0.2%	0.16	0.0%
Operating Expenses	7,329.99	59.0%	6,627.01	58.8%	7,858.83	60.9%	7,102.82	55.1%
Employee Benefits Expense	1,133.98	9.1%	1,026.93	9.1%	1,236.39	9.6%	1,135.94	8.8%
Finance Costs	306.85	2.5%	324.97	2.9%	436.67	3.4%	619.21	4.8%
Depreciation and Amortization Expense	240.66	1.9%	220.69	2.0%	247.51	1.9%	369.58	2.9%
Other Expenses	1,014.24	8.2%	922.55	8.2%	1,098.50	8.5%	1,053.70	8.2%
Total Expenses	**11,824.44**	**95.1%**	**10,870.23**	**96.4%**	**12,591.90**	**97.6%**	**12,078.01**	**93.7%**
Profit before Exceptional Items and Tax	**605.38**	4.9%	**401.58**	3.6%	**303.23**	2.4%	**812.74**	6.3%
Exceptional Items	(29.59)	-0.2%	-	0.0%	(70.90)	-0.5%	(145.29)	-1.1%
Profit Before Tax	**575.79**	**4.6%**	**401.58**	**3.6%**	**232.33**	**1.8%**	**667.45**	**5.2%**
Tax Expense								
Current Tax	144.38	1.2%	166.39	1.5%	150.92	1.2%	255.24	2.0%
Net reversal of Previous Year's taxes	-	0.0%	(2.13)	0.0%	(96.96)	-0.8%	-	0.0%

Particulars	For nine months ended		For the year ended on					
	31-Dec-14		31-Mar-14		30-Jun-13		30-Jun-12	
	In ₹ million	%	In ₹ million	%	In ₹ million	%	In ₹ million	%
Deferred Tax	15.99	0.1%	32.35	0.3%	5.69	0.0%	(2.66)	0.0%
Reversal of Excess Deferred Tax Liability	-	0.0%	(78.20)	-0.7%	-	0.0%	-	0.0%
MAT Credit		0.0%	-	0.0%	-	0.0%	(0.20)	0.0%
Total Tax Expense	**160.38**	**1.3%**	**118.41**	**1.1%**	**59.65**	**0.5%**	**252.38**	**2.0%**
Profit before Minority Interest	**415.42**	**3.3%**	**283.17**	**2.5%**	**172.68**	**1.3%**	**415.07**	**3.2%**
Less: Minority Interest	116.88	0.9%	48.95	0.4%	76.39	0.6%	-	0.0%
Profit after Minority Interest	**298.54**	**2.4%**	**234.22**	**2.1%**	**96.29**	**0.7%**	**415.07**	**3.2%**
Earnings per Share								
Basic (in ₹)	2.11*		2.70		1.11		4.80	
Diluted (in ₹)	1.56*		2.00		0.82		3.56	

**Not annualized*

Major material events in the nine months ended December 31, 2014

1. Our Company has ceased operating its shipping business carried out through its associate Gati Ship Limited (GSL), a loss making company and has sold off all its operating assets. While we continue to hold 48% in GSL, the economic interest has been written off over Fiscal 2013, 2014 and 2015. As on March 31, 2015, our Company has sold 52% of its stake in GSL for ₹ 83.02 million and has booked ₹ 1,717.08 million as write downs on our investment and plans to sell the residual stake in GSL.

2. Our Company has also closed its operations being conducted through Gati China Holdings Limited, Mauritius, which is our step down subsidiary in which we had invested through our subsidiary Gati Asia Pacific Pte Limited.

3. Gati Kausar India Limited, a subsidiary has allotted during the period to an overseas private equity investor, 1,305,132 full paid Equity shares of face value ₹ 10 each at a premium of ₹ 143.24 each, 932,237 CCPS of face value of ₹ 10 each at a premium of ₹ 97.27 each and 60 senior secured redeemable non-convertible debenture cum bonds of face value of ₹ 1 million each, aggregating to ₹ 360 million.

4. Exception item for 9 months ended 31st December, 2014 is on account of compounding fees paid to RBI for the FCCB issue ₹ 29.59 million.

Major material events in Fiscal 2014

1. The Financial Results cover a period of nine months ended 31st March 2014 and the company would close the accounts on 31st March each year to comply with the revised requirement of the Companies Act 2013.

Fiscal 2013 compared to Fiscal 2012

Total Revenue: Total revenue remained flat at ₹ 12,895.13 million in Fiscal 2013 as compared to ₹ 12,890.75 million in Fiscal 2012. This was mainly on account of the subdued nature of the overall economy and marginal growth in the movement of goods across the country.

Revenue from operations: Revenue from operations grew by 7.9% from ₹ 11,801.78 million in Fiscal 2012 to ₹ 12,729.46 million in Fiscal 2013. This can be attributed to several factors including: the road express business posting a growth of where the first three quarters had a slow start resulting in much lower growth. The air express business also witnessed negligible growth. The Industry witnessed consolidation activities and mode changes from Air to Road Express and Road

Express to Transportation. The automotive industry which is one of the major contributors to the Express Business, under performed during this period facing inventory pile up at most of the companies.

Other Income: There was an increase in Interest income from ₹ 37.71 million in Fiscal 2012 to ₹ 77.57 million in Fiscal 2013 and dividends from ₹ 2.70 million in Fiscal 2012 to ₹ 17.10 million in Fiscal 2013. These increases however were offset by a one-time booking of ₹ 891.80 million in Fiscal 2012 on account of profit on sale of investments, which was not present in Fiscal 2013, thereby causing a fall of 83.7% in Fiscal 2013 to ₹ 165.67 million from ₹ 1,088.97 million in Fiscal 2012.

Total Expenses: While there was a modest growth of 7.5% in the total income during Fiscal 2013 compared to Fiscal 2012 excluding the one-time profit on sale of investment of ₹ 891.80 million there was an increase in total expenses by 4.3% from ₹ 12,078.01 million in Fiscal 2012 to ₹ 12,591.90 million in Fiscal 2013. The major increases in expenses were on account of higher operating expenses, employee benefits and other expenses.

Purchases of stock in trade: There was an increase in the purchase of petroleum products from ₹ 1,441.86 million in Fiscal 2012 to ₹ 1,644.86 million in Fiscal 2013, which was on account of an increase in sales of petroleum products at our fuel stations. However there was a fall in other purchases of stock in trade from ₹ 354.74 million in Fiscal 2012 to ₹ 96.69 million in Fiscal 2013 on account of tapering demand for our client's products.

Operating Expenses: There was a significant increase in operating expenses in Fiscal 2013 of ₹ 7,858.83 million, which was a 10.6% increase from ₹ 7,102.82 million in Fiscal 2012, which was not commensurate with the increase in the corresponding revenue. The increase was primarily attributable to a 20.43% in freight charges from ₹ 5,255.39 million in Fiscal 2012 to ₹ 6,329.24 million in Fiscal 2013 due to the higher input operating cost like diesel, petrol, etc. and expansion of the networks which incurred fixed costs and utilisation was yet to pick up. Most of the other expenses moved in line with the marginal increase in revenue.

Employee Benefit Expenses: There was an increase in employee benefit expenses, primarily on the back of increase in Salaries, Wages and Bonus, which increase from ₹ 1,043.53 in Fiscal 2012 to ₹ 1,141.04 million in Fiscal 2013, these increases were in line with the normal increments in salaries and wages that the Company pays and accretion to head count in line with growth in business. This was supplemented by an increase in the gratuity expenses from ₹ 5.77 million in Fiscal 2012 to ₹ 22.60 million in Fiscal 2013. Other personnel expenses fell from ₹ 42.63 million in Fiscal 2012 to ₹ 23.12 million in Fiscal 2013. The net result of these increases was an 8.8% increase in employee benefit expenses from ₹ 1,135.94 million in Fiscal 2012 to ₹ 1,236.39 million in Fiscal 2013.

Finance Cost: While there was a marginal increase in debt funds as on June 30, 2013 the overall utilization of the working capital facilities was lower on account of reduced business activity. This led to a 29.5% reduction in the finance cost from ₹ 619.21 million in Fiscal 2012 to ₹ 436.67 million in Fiscal 2013, on the back of reduced cost of interest from ₹ 602.51 million in Fiscal 2012 to ₹ 428.36 million in Fiscal 2013 as well as reduction in other borrowing costs.

Depreciation and Amortization Expenses: Reduction in amortization and depreciation happened during Fiscal 2013 due to the lower exchange difference on FCCB as on June 30, 2012 compared to the higher exchange difference as on June 30, 2013. The exchange difference for Fiscal 2012 was ₹ 183.87 million as against the exchange difference for Fiscal 2013 of ₹ 75.21 million, accordingly the higher amortisation during the Fiscal 2012.

Other Expenses: There was a marginal increase in other expenses of 4.3% from ₹ 1,053.70 million in Fiscal 2012 to ₹ 1,098.50 million in Fiscal 2013. These were primary on account of increase in administrative expenses led by rent and electricity that were partly offset by a reduction of repairs & maintenance expenses in line with the reduction of activity.

Profit before Exceptional Items and Tax: As a result of increase in operating expenses, there was a 62.7% reduction in profit before exceptional items and tax from ₹ 812.74 million in Fiscal 2012 to ₹ 303.23 million in Fiscal 2013.

Exceptional Items: Exceptional item during Fiscal 2013 of ₹ 70.90 million includes primarily ₹ 67.6 million on account of profit on sale of land. For Fiscal 2012, exceptional item of ₹ 145.29 million included ₹ 45.29 million on account of business transfer expense and ₹ 100 million on account of provision for contingencies.

Profit before Tax: After adjusting a reduced profit before exceptional items and tax with the exceptional items, the profit before tax was lower by 65.2% in Fiscal 2013, going from ₹ 667.45 million in Fiscal 2012 to ₹ 232.33 million in Fiscal 2013.

Tax Expense: There was a net reversal of ₹ 96.96 million of the previous year's tax due to reduction of excess liability in the tax for Fiscal 2013 which reduced the current year's liability of ₹ 150.92 million, subsequent to which the tax expense for the year was at ₹ 59.65 million.

Profit after Tax before minority interest: The PAT before minority interest for the Fiscal 2013 was 58.4% less as compared to Fiscal 2012, having reduced from ₹ 415.07 million in Fiscal 2012 to ₹ 172.68 million in Fiscal 2013. The PAT margin was at 1.3% in Fiscal 2013, as compared to 3.2% in Fiscal 2012.

Minority Interest: Subsequent to the reorganisation of the Company, and with significant revenues accruing from GATI-KWE, and significant profits too, the minority interest stood at ₹ 76.39 million for Fiscal 2013.

Profit after Tax and Minority Interest: The PAT after minority interest was ₹ 96.29 million in Fiscal 2013 as compared to ₹ 415.07 million in Fiscal 2012, signifying a 76.8% reduction.

Liquidity and Capital Resources

We have funded our capital requirements, including our working capital requirements from our cash flow from operations and loans from banks.

Cash Flows

Set forth below is a table of selected items from our consolidated cash flow statement for the periods indicated:

All figures in ₹ million

Particulars	9M Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
Net cash flow (used in) / from operating activities	834.10	309.27	(303.47)	(1,290.81)
Net cash from / (used in) investing activities	(302.53)	(156.06)	(184.45)	779.95
Net cash from / (used in) financing activities	(299.61)	(310.96)	(491.10)	1,556.14
Net increase in cash and cash equivalents	231.97	(157.75)	(934.99)	1,082.00
Cash and cash equivalents at the end of the period	539.98	308.02	465.77	1,400.76

Cash flow from Operating Activities

Cash from operating activities for the Fiscal 2014 was ₹ 309.27 million and our operating profit before working capital changes for that period was ₹ 845.57 million. The adjustments to operating profit before working capital changes were primarily attributable to depreciation and amortization expenses of ₹ 220.70 million and interest expense of ₹ 324.98 million that were partially offset by profit on sale of assets (net) of ₹ 13.20 million and Interest Income of ₹ 82.77 million. Funds deployed in working capital were on account of sundry debtors that increased by ₹ 211.41 million, loans and advances that increased by ₹ 204.79 million and write back of provisions on account of recoveries of ₹ 4.87 million that were partially offset by increase in trade payables of ₹ 68.78 million.

Cash from operating activities for the Fiscal 2013 was ₹ (253.01) million and our operating profit before working capital changes for that period was ₹ 842.03 million. The adjustments to operating profit before working capital changes were primarily attributable to depreciation and amortization expenses of ₹ 247.50 million and interest expense of ₹ 436.67 million that were partially offset by profit on sale of assets (net) of ₹ 4.86 million, Interest Income of ₹ 77.57 million and Dividend Income of ₹ 17.14 million. Funds deployed in working capital were on account of sundry debtors that increased by ₹ 312.73 million, loans and advances that increased by ₹ 864.74 million and write back of provisions on account of recoveries of ₹ 77.53 million that were partially offset by increase in short term borrowings of ₹ 6.85 million.

Cash from operating activities for the Fiscal 2012 was ₹ (1,338.09) million and our operating profit before working capital changes for that period was ₹ 800.15 million. The adjustments to operating profit before working capital changes were primarily attributable to depreciation and amortization expenses of ₹ 369.58 million and interest expense of ₹ 619.21 million that were partially offset by profit on sale of assets (net) of ₹ 891.80 million, Interest Income of ₹ 37.71 million and Dividend Income of ₹ 2.70 million. Funds deployed in working capital were on account of loans and advances that increased by ₹ 550.36 million and payment of other liabilities of ₹ 1,454.99 million primarily due to reduction in tax liability.

Net Cash from Investing Activities

Net cash used in investing activities for fiscal 2014 was ₹ 156.06 million. This primarily comprised of ₹ 244.53 million from purchase of fixed assets including capital work in progress and increase in capital advances that was partially offset by income from Interest and dividend of ₹ 82.77 million.

Net cash used in investing activities for fiscal 2013 was ₹ 184.45 million. This primarily comprised of ₹ 280.95 million from purchase of fixed assets including capital WIP and decrease in capital advances that was partially offset by income from Interest and rental income of ₹ 79.37 million.

Net cash released from investing activities for fiscal 2012 was ₹ 779.95 million. This primarily comprised of ₹ 72.35 million from purchase of fixed assets, increase in capital advance by ₹ 130.64 million, increase in foreign currency monetary item translation difference of ₹ 88.11 million, partly funded by the proceeds from sale of investments of ₹ 892.30 million ₹ 40.41 million from interest and dividend received.

Net Cash from Financing Activities

For fiscal 2014, our net cash used in financing activities was ₹ 310.96 million. This primarily comprised ₹ 23.89 million received from proceeds from issuance of equity share capital, ₹ 127.03 million from FD receipts, which were offset by repayment of ₹ 324.98 million of interest and finance expense paid and payment of dividends of ₹ 110.32 million and a part repayment of secured loans of ₹ 26.58 million.

For fiscal 2013, our net cash used in financing activities was ₹ 491.10 million. This primarily comprised ₹ 75.76 million received from secured borrowings and ₹ 4.22 million from liquidation of FDs, which were offset by repayment of ₹ 436.67 million of interest and finance expense paid and dividends of ₹ 125.29 million.

For fiscal 2012, our net cash used in financing activities was ₹ 1,556.14million. This primarily comprised ₹ 948.94 million received from proceeds from issuance of equity share capital, ₹ 1,252.74 million from unsecured borrowings and ₹ 536.67 million of increase in minority interest, which were partially offset by repayment of ₹ 619.21 million of interest and finance expense paid and a decrease in reserves by ₹ 125.41 million.

Indebtedness

As of December 31, 2014, we had a total term loan borrowings of ₹ 3,420.63 million, and fund based working capital borrowings of ₹ 1,041.95 million. As of December 31, 2014, on a consolidated basis, our Company had an indebtedness of ₹ 4,514.28 million. Additionally, we had a non-fund based working capital borrowing of ₹ 51.70 million. Most of our financing arrangements are secured by our movable and immovable assets. In addition, our Company and the Group entities have given guarantees as collateral security for amounts borrowed under many of the financing agreements. The following table represents the Company's long term indebtedness as of December 31, 2014:

	Gati Limited	Gati KWE	Gati Kausar	GIETL	Total
Term loan					
Syndicate Bank	-	494.60	-	-	494.60
IDBI Bank	-	50.00	-	-	50.00
South India Bank	251.69	-	-	-	251.69
Catholic Syrian Bank	88.35	-	-	-	88.35
Karur Vysya Bank	300.00	-	-	-	300.00

	Gati Limited	Gati KWE	Gati Kausar	GIETL	Total
Kotak Bank	43.27	-	-	1.34	44.61
Public Deposits	479.70	-	-	-	479.70
Vehicle loan	1.75	103.79	141.32	-	246.85
NCD		-	60.00	-	60.00
FCCB	1,404.82	-	-	-	1,404.82
Total Long Term Debt	**2,569.59**	**648.39**	**201.32**	**1.34**	**3,420.63**

Foreign Currency Convertible Bonds

We allotted 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCB) of US$1,000 each, thereby raising US$ 22.18 million on December 12, 2011. The bonds are convertible any time from December 12, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares of the company with a par value of ₹ 2 each with full voting rights at an initial conversion price of ₹ 38.51 per share with USD/INR reference exchange rate that is fixed at ₹ 52.2285 per US$. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in US dollars at 132.8341 percent of principle amount on December 13, 2016 giving a Yield to Maturity of 5.76 percent per annum calculated on semi-annual basis. For further details please refer to the chapter titled "*Risk Factors*" and "*Legal Proceedings*" starting on page 36 and 152, respectively, of this Preliminary Placement Document,

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates, on an arm's length basis. For details in relation to the related party transactions entered by our Company during the last three fiscals, as per the requirements under 'Accounting Standard 18 – Related Party Transaction' issued by the ICAI, see the section titled "Financial Information" on page F-27.

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Quantitative and Qualitative Disclosure about Market Risk

Interest Rate Risk

As at December 31, 2014, we had ₹ 3,420.63 million of long term debt outstanding, some of which are fixed and some are at floating rate of interest, which exposed us to market risk as a result of changes in interest rates. We undertake debt obligations primarily to support our working capital needs, capital expenditure and acquisitions. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to hedge the nature of our debt so as to manage our interest rate risk.

Inflation Risk

India has experienced high inflation in the past, which had contributed to an increase in interest rates leading to a rise in our cost of borrowing. There can be no guarantee that this will not happen in the future. See "*Risk Factors— A slowdown in economic growth in India could cause our business to suffer*."

Material Developments after December 31, 2014 that may affect our future results of operations

There has been no material development in our Company after December 31, 2014 except the following:

1. On January 23, 2015, Gati Kausar Limited has further allotted 180 senior secured redeemable non-convertible debenture cum bonds of face value of ₹ 1 million each, aggregating to ₹ 180 million.

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is derived from industry sources and government publications. Neither the Company, nor the BRLMs or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.

Overview of the Indian Economy

The total GDP of India was ₹ 99.2 trillion at constant (2011-12 prices) and ₹ 113.45 trillion at current prices, in fiscal 2014. (*Source: Press Note, MOSPI, 9-Feb-2015*). On purchasing power parity ("PPP") basis, India is the fourth largest economy in the world after the United States, European Union and China, with a GDP of US$4.99 trillion in the year 2013. (*Source: CIA Factbook Website*)

India has been one of the fastest growing economies in the past decade. In the first decade of the 21st century, India set a robust pace of GDP growth (along with China), and emerged as a bulwark of the global economy. India's growth averaged over 9% from 2004-05 to 2007-08 (although China's growth was higher). India and China were joined later by other major developing economies such as Brazil, Russia, Indonesia and South Africa (BRICS), whose growth averaged over 5.6% during this period; by contrast, growth in the US and Europe averaged only 2.4% and Japan around 1.3%. Together, the share of developing economies of world GDP exceeded that of the developed economies for the first time ever, as did their cumulative share in global trade. (*Source: International Monetary Fund*)

The growth in GDP during 2014-15 is estimated at 7.4% (based on constant (2011-12 prices)) as compared to the growth rate of 6.9 per cent in 2013-14 (*Source: Press Note, MOSPI, 9-Feb-2015*). With a fall in inflation over the last few quarters, consumer discretionary spending is expected to increase. The increase in spending is aided by an estimatedgrowth in per capita income of 6.1% in fiscal 2015. Per capita income at current prices during 2014-15 is estimated to be ₹ 99,872 compared with ₹ 90,688 during 2013-14, a rise of 10.1% per cent. (*Source: Press Note, MOSPI, 9-Feb-2015*)

Indian Logistics Industry

The Indian logistics sector has typically been driven by the objective of reducing transportation costs that were (and often continue to be) inordinately high due to regional concentration of manufacturing and geographically diversified distribution activities as well as inefficiencies in infrastructure and accompanying technology.

The industry is poised at a crossroad along its growth trajectory even as the ongoing global economic uncertainty which has been impacting the Indian market to an extent. However, driven by strong fundamentals and consistent demand, the resilient Indian economy, in general and, the logistics sector in particular, are seemingly well-positioned to sail through turbulent global economic uncertainty. (*Source: NSDC's Sector wise Skill Gap report 2013-2022*).

Rising investment, rapidly evolving regulatory policies, mega infrastructure projects and several other developments in recent times have driven the Indian logistics market, simultaneously, also overcoming infrastructure-related constraints and logistics-centric inefficiency. While traversing this road to development, multiple projects and services have been either at the planning or implementation stage. Such developments have spanned across all modes of transportation and logistics services and have involved active participation from all stakeholders (*Source: NSDC's Sector wise Skill Gap report 2013-2022*).

A snapshot of the industry, the services and the modes are given in the illustration below:

Modes	Transportation	Warehousing	Value Added Services
Road	Trucking and related services – fleet management, network optimization, route planning, etc.	→ Warehousing related to inland distribution, whether inbound or outbound → LTL transshipment centers	Services bundled around road transportation and warehousing: → Courier (express) → Cold Chain → Freight Forwarding → Packaging → Consulting
Rail	Railway – cargo transportation	→ Rail side container depots → Inland container depots → Multimodal warehouses	Services bundled around rail transportation and warehousing: → Dedicated rail container services → Stuffing/de-stuffing → Consolidation
Water	Coastal shipping and inland water transportation	→ Container freight stations → Inland container depots → Port	→ Freight forwarding → Freight consolidation → NVOCC → Customs clearance
Air	Air Cargo and passenger operations	Air cargo trans-shipment warehouse near the airport	→ Express and courier services → Freight forwarding → Customs clearance

← -------------------------- Range of Services --------------------------- →

Source: NSDC's Sector wise Skill Gap report 2013-2022

Online retail, while today representing a small fraction of the e-commerce space is one of the fastest growing segments. Online shopping of physical goods in India, will grow to $8.5Bn in 2016. Number of online shoppers in India will more than double to 40M. (*Source: India e-commerce, Accel Partners, 2014*).

The strong emergence of e-commerce will place an enormous pressure on the supporting logistics functions. The proposition of e-commerce to the customer is in offering an almost infinite variety of choices spread over an enormous geographical area. Firms cannot compete solely based on sheer volumes in today's ever-evolving, information symmetric and globalized world of e-commerce. Instead, the realm of competition has shifted to delivering to ever-shortening delivery timeliness, both consistently and predictably. Negligible or zero delivery prices, doorstep delivery, traceability solutions and convenient reverse logistics have become the most important elements of differentiation for providers. (*Source: August 2014 E-Commence Evolution in India: Creating the bricks behind the clicks, PWC-ASSOCHAM Report)*

Key Enablers

1. **Industry specific value added solutions**

   - Logistics companies are hinged around offering industry-custom supply chain solutions, e.g., testing/inspection/line feeding for auto, reverse logistics for retail

- The ability to help customers re-engineer their supply chain, differentiates one logistics service provider from another, e.g., helping customers migrate from road to rail and project logistics management.

2. **Ownership/Control over assets**

- End-to-end control over cargo is critical in qualifying as a modern logistics service provider and many companies are beginning to own assets, such as trailers and warehouses, to ensure this.

- Developing relationships with key value chain partners, such as freight forwarders, domestically and internationally, is necessary in giving customers the comfort to outsource.

3. **Manpower**

- Availability of skilled manpower both management and operational is a key constraint for the logistics sector, and acquiring/retaining talent is a critical differentiator.

- Key personnel also bring customer relationships and industry-specific logistics know-how to organizations, which is highly coveted.

4. **Relationships**

- Long-term contracts with customers ensure regular and predictable flow of volume of goods.

- Cross-referrals from customers in the same industry is a key value driver in logistics services.

5. **Systems and Processes**

- Effective processes are needed to tightly control operations, e.g., backhaul management and route optimization.

- Coupled with this, customers are increasingly demanding technology enablement in logistics services, e.g., GPS, RFID, track and trace, and real-time cargo updates.

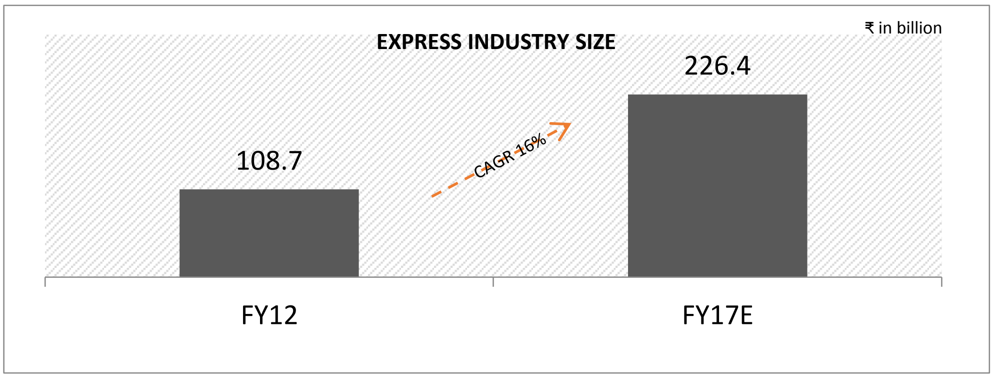
6. **Efficient Operations**

Service levels are critical for logistics service providers, when attempting to wean away customers from unorganized logistics segments, such as trucking and 'godown' storage, to modern and organized services, such as timely pick-up and delivery, hygienic warehouses, call-centre management, etc.

Source: NSDC's Sector wise Skill Gap report 2013-2022

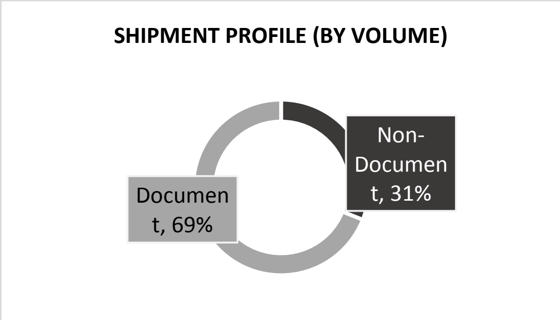
A. ***Express Logistics***

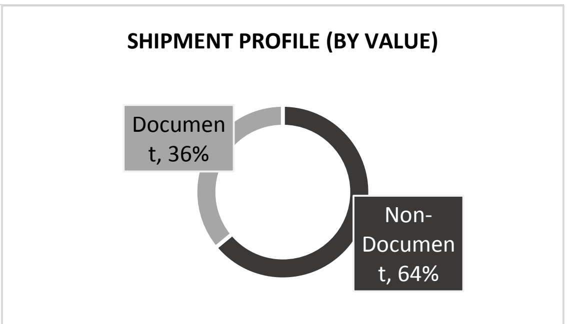
The Express logistics market in India is about USD 3.5 bn and is growing at ~16% CAGR. It is a fragmented industry with large number of players, estimated at about 2,500. However, there has been considerable consolidation of the industry over the years and the large organized players, including government postal department, presently have about 72% share.

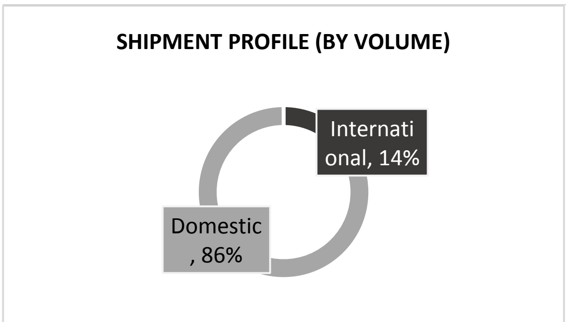


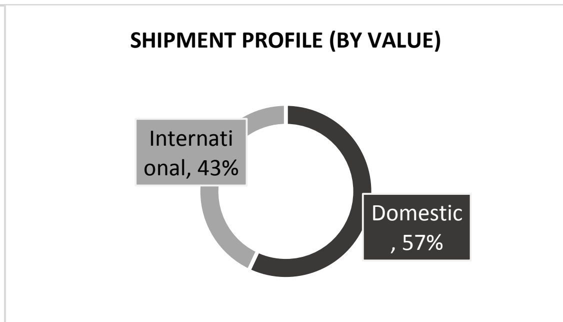
Source: NSDC's Sector wise Skill Gap report 2013-2022

The Express market in India is highly competitive, with most players shipping Documents (~69%) but Non-Document shipments contribute higher value (~64%). While international and large players are focused on EXIM and domestic intra-city market, smaller players are focused on domestic inter-city market services.









The Indian contract logistics market, though presently at a nascent stage, compared to other developed economies, has grown significantly in the last decade. Its penetration in the logistics sector increased from 12 percent in 2010 to 18 percent in 2012, highlighting significant growth opportunities. (*Source: NSDC's Sector wise Skill Gap report 2013-2022)*

Following the trend of customers, first outsourcing transportation, followed by warehousing and value-added services (VAS), transportation accounts for approximately two-thirds of the overall 3PL revenues in India. VAS include services, such as packaging, labeling and invoicing. VAS is expected to witness the highest CAGR of 33 percent – against30 percent and 27 percent for transportation and warehousing, respectively — up to 2015. The express services are of vital importance to industries like auto components, BFSI, e-commerce, organized retail, pharmaceuticals, electronic products and IT components*(Source: NSDC's Sector wise Skill Gap report 2013-2022)*

The growth drivers of the logistics sector are fundamentally strong and have remained so over the last decade:

1. **Infrastructure investments**

   - Infrastructure spending, as outlined in the budget, is set to increase by INR 140 bn for roads and INR 100 bn for rail
   - Postponement of fiscal deficit target by a year and utilizing the released funds shows seriousness in improving infrastructure

2. **Economic growth**

   - Logistics sector has grown at ~1-1.5x India's GDP growth
   - Resurgence in manufacturing activities and emergence of organized retail
   - International trade grown between 10-15% p.a.

3. **Supply Side shifts**

   - Increased offering of industry specific value-added solutions
   - Rising private sector investments in select segments

- Better quality services with technology adoption, efficient transportation and 3PL services

4. **Growing Demand**

- Demand from Auto, organized retail, pharma, BFSI, e-Commerce, electronics to drive growth
- Players offering integrated solutions to benefit from rising demand

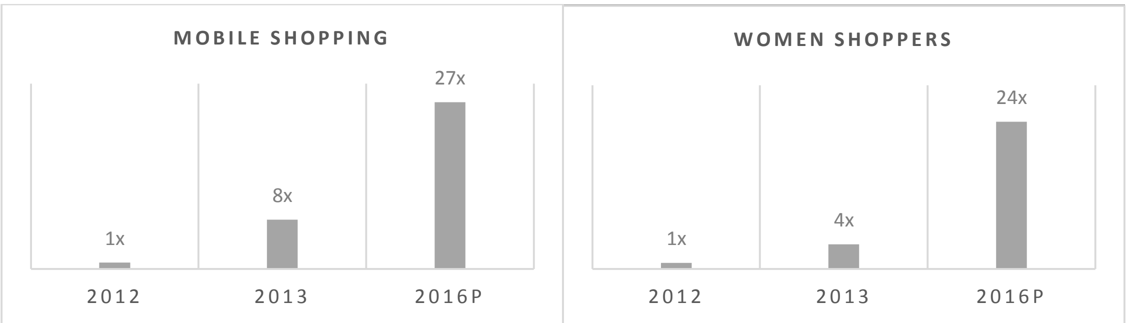
5. **Evolving regulation**

- GST to be implemented by April'16
- Growing privatization of Container Train Operators, rail infrastructure
- Public Private Participation thrust at ports, airports, roads, logistics parks, etc.
- Enabling regulation for coastal shipping and road transportation

(*Source: NSDC's Sector wise Skill Gap report 2013-2022)*

B. ***E-Commerce logistics***

As more consumers continue to move up the socio-economic ladder, online shopping is becoming a preferred means of shopping due to its convenience and wider options. The lightning-fast pace of change in the digital landscape has ushered in a consumer mindset that is both adventurous and exploratory when it comes to online shopping. Mobile shopping infrastructure is improving –smart phones, connectivity, mobile websites and apps. People are becoming more comfortable in ordering higher priced items online. Women influenced sales will grow 5x in next 3 years. Key factor in this growth is increasing supply of women specific categories e.g. jewellery, lingerie, motherhood products.(*Source: India e-commerce, Accel Partners, 2014*)



(*Source: India e-commerce, Accel Partners, 2014*)

Growth of India online shopping

- India e-commerce market will start maturing and display characteristics similar to China –which traditionally has higher conversion rates (nearly 3.5%)

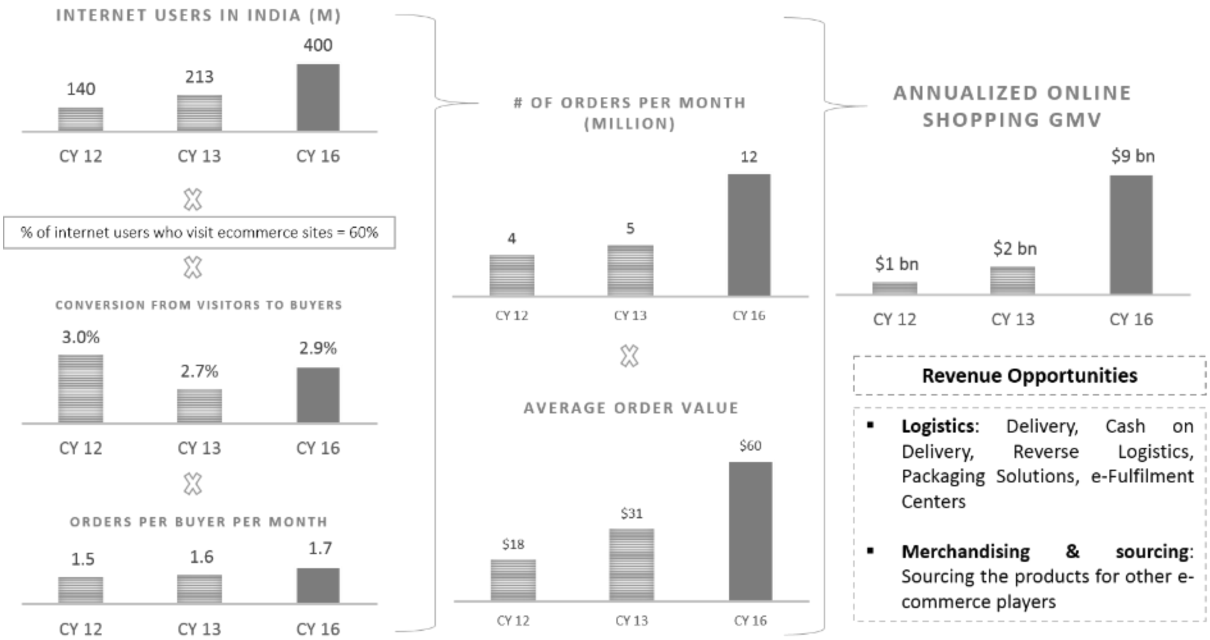
- This is due to e-commerce being only choice for availability of goods in parts of the country and easy payment options like COD – which are no problems in western countries

- As e-commerce sites gain trust, users are beginning to order more frequently

- Also, repeat users – acquired more than 1yr old- are more comfortable ordering online and order significantly more than first time buyers

- Last year there was a significant jump in average order value as there was a penetration of new categories like jewellery, home décor etc.

- Also, users are becoming more comfortable buying higher priced items online



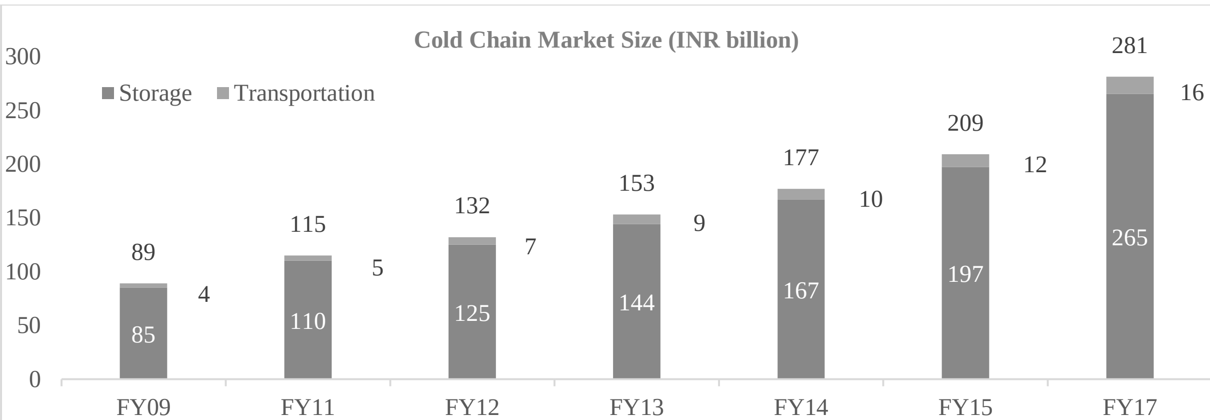
(*Source: India e-commerce, Accel Partners, 2014, Company analysis*)

C. ***Cold Chain***

The cold chain sector in India has come a long way since the 1960s and is expected to grow over the next decade despite several challenges. India's cold chain sector is still developing in comparison to other countries. About 80-85 percent of the total storage capacity in India's cold chain sector is unorganized. A majority of units are designed for storing only potatoes and use outdated technology. Complex supply chain models, limited resources and several other challenges result in the wastage of 25-30 percent of agricultural produce every year.

In Thailand, the cold chain sector was highly unorganized until a decade ago. However, the emergence of organized retail and government assistance has helped the country build a modern cold chain infrastructure. As there are several similarities between the market dynamics of Thailand and India, we can expect a significant transformation in India's cold chain sector over the next decade. This would be possible only when stakeholders collaborate to develop efficient cold chain infrastructure and ensure proper policy implementation.

Valued at INR132 billion in 2012, the Indian cold chain industry is expected to grow at a CAGR of 16 percent until 2016–17. Transportation is expected to grow at a higher CAGR of 18 percent as compared to storage, which is expected to grow at a CAGR of 16 percent during 2012–17.



India's cold storage capacity is mainly concentrated in the northern region, with Uttar Pradesh accounting for the largest number of cold stores by states due to the storage for potato. West Bengal accounts for the second- largest number of cold stores in India, mainly due to the predominance of potato. Most of the multi-purpose cold storage facilities are located in Maharashtra, National Capital Region (NCR), Tamil Nadu, Maharashtra and West Bengal for commodities, such as chillies, vegetable sand dry fruits, etc.

Growth in the cold chain industry is expected to driven by the growth that is being seen in the dairy & milk products, organized retail, QSR, food processing and Pharma sectors. (*Source: NSDC's Sector wise Skill Gap report 2013-2022*)

D. ***Impact of implementation of GST on the Logistics Industry***

As India prepares for a transition to the next level of logistics growth trajectory, regulatory policies need to evolve well ahead of the introduction. Further, on account of the delay in implementation of GST, it is critical to gauge the advantages the industry at large and the various stakeholders specifically are currently losing out. The below table summarizes the key business implications that may accrue to the wider industry owing to increased organization in post-GST scenario:

- *Supply chain re-engineering:* Many service providers and end users would revamp their supply chains, realigning the locations of warehouses, corridors used and transportation options exercised, thus generating tremendous business opportunities for Fourth-party Logistics (4PL) firms specializing in supply chain re-engineering as well as for providers of network optimization tools such as Transportation Management Systems(TMS).

- *Transportation:* Re-organized countrywide networks would decrease cost of primary freight since warehousing locations are likely to be placed closer to manufacturing/import/export locations. In contrast, this would increase secondary freight due to fewer warehouses.

- *Outsourcing:* The expected improvement in service levels and more competitive pricing due to increased penetration of organized players may pull end users/ manufacturers to re-think their conventional inhibitions towards outsourcing.

- *Consolidation:* Increased availability of efficient and organized players may spur a wave of consolidation activities, including inbound and domestic transactions. Increasing business collaborations among new entrants and fresh unorganized-turned-organized players may be visible. This may catalyze collaborative usage of supply chain assets, thus driving efficiency for all stakeholders.

- *Service levels*

  The general service levels may witness an upswing. Especially, hi-end Value Added Services (VAS) such as world class track and trace, kitting, picking and packing may witness increased application. Increased demand/supply of day/time-definite services is also likely due to increased customer expectations and better organized supply chains

- *Automation:* Efficient handling of larger volumes per warehouse (owing to new/consolidated warehousing) would command increased reliance on automation/ technology applications such as Put-to-Light, Pick-to-Light, Enterprise Resource Planning (ERP) and Warehouse Management System(WMS).

- *Automation:* Efficient handling of larger volumes per warehouse (owing to new/consolidated warehousing) would command increased reliance on automation/ technology applications such as Put-to-Light, Pick-to-Light, Enterprise Resource Planning (ERP) and Warehouse Management System(WMS).

- *Skill set upgradation:* With increasing share of organized logistics setups, the need for technically qualified and optimally skilled workforce across the supply chain is likely to become more glaring. Hence, to cater to this increasingly indispensable need, supply of skilled workforce may improve.

(Source: CII-KPMG report "Goods & Service Tax – Ready. Steady. Go? ")

BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Gati Limited and its subsidiaries on a consolidated basis, and any reference to the "Company" refers to Gati Limited on a standalone basis.

Overview

We are one of the leading express distribution services providers in India. Our company along with its subsidiaries provides surface and air express services, e-Commerce logistics, supply chain solutions, cold chain transportation, international freight forwarding, and customs clearance services. We believe, we are one among the few express distribution companies in India that offer comprehensive multi-modal (land, ocean, air and rail) freight services to over 9,000 customers spread across the automotive, healthcare, engineering, apparel and consumer durables industries. Founded in 1989 as a cargo management company, we have since expanded our operations to become an integrated logistic solution provider providing superior service and reach advantage on its flagship business along with niche value additions such as contract logistics, Importer/ Exporter of Record, and Inventory Management. We believe our significant experience and execution capabilities have enabled us to develop firm relationships with a diverse customer base and offer services that are tailored to meet customer-specific requirement.

We have a strong network of more than 550 operating units in over six countries in the Asia Pacific Region. Headquartered in Hyderabad, our domestic operations are controlled through 4 zonal offices, 16 express distribution centres, 61 distribution warehouses, 32 air transit centres, 7 rail transit centres, 133 customer convenience centre owned (depot), 264 customer convenience centres franchised (franchisees), one centralised call centre, with combined warehousing space of about three million square feet across the country. We serve this network with a fleet of more than 5,000 vehicles and partner with over 2,700 business associates for first and last mile pick-up and delivery services, apart from associates providing line-haul and feeder vehicles that helped us deliver more than 66.65 million packages in Fiscal 2015.

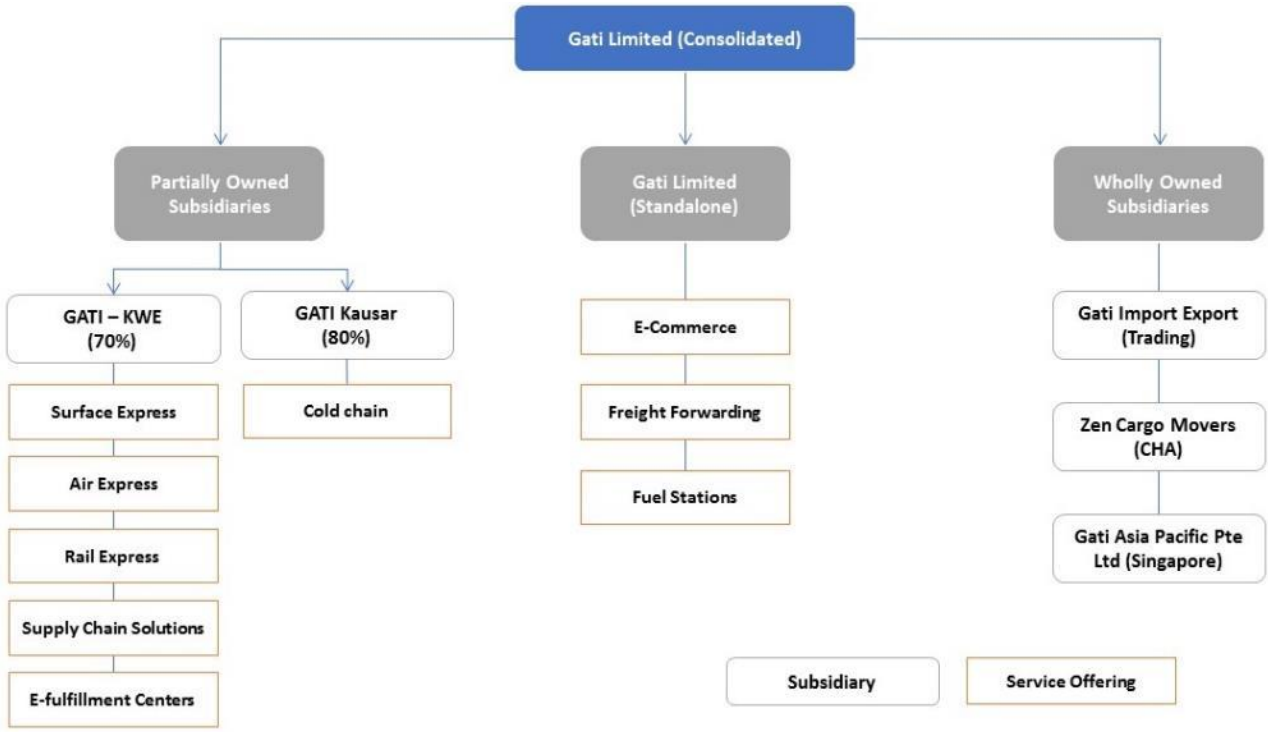
We operate our four business verticals i.e. express distribution and supply chain solutions, e-Commerce logistics, cold chain solutions and other logistics services through our Company and our subsidiaries where we have a controlling stake.

We have over the years received several awards in recognition of our business and operations, *Best Road Service Provider of the Year*, *Supply Chain Innovation of the Year* and *ELSC (Express Logistics & Supply Chain) Company of the Year* awarded by 8th Express Logistics & Supply Chain Conclave*; Scale Award for Supply Chain & Logistics Excellence; Top Assessee of Service Tax* awarded by the Committee of Commissioners, Hyderabad, *Best CSR Project for Sustainable Development* in Fiscal 2015. Gati-KWE and Gati Kausar India Limited have received certificates and accreditations in respect of its management systems comprising of quality management system conforming to ISO 9001:2008.

Our accounting year, prior to June 30, 2013 was between July 1 and June 30, subsequently in Fiscal 2014, we changed the year ending to March due to changes in extant laws. Consequently the numbers for Fiscal 2014 are for nine months, i.e. July 1, 2013 to March 31, 2014. For nine months ended December 31, 2014, Fiscal 2014 (nine months), Fiscal 2013 and Fiscal 2012, our total income was ₹ 12,429.82 million; ₹ 11,271.81 million; ₹ 12,895.13 million and ₹ 12,890.75 million respectively.

Organisation Chart

The following is the organization chart of our major subsidiaries:



Our Competitive Strengths

We believe the following are our principal competitive strengths which we expect will continue to help us move in the direction that we have set ourselves through our business strategy and help achieve and maintain leadership positions in our current areas of operation and areas we plan to expand into.

Integrated service offering

We provide a broad range of logistics services to our customers seeking to use a variety of transportation options to optimize their supply-chain needs. Eleven of our top-20 customers use three or more of our services. Through our flagship express distribution service, in which Kintetsu World Express – Japan-based global logistics provider, owns a 30% stake, we offer time-sensitive surface, air and rail services and supply chain solutions across India. The increasing scale and complexity of our customers' operations has driven demand for logistics providers that can offer a full spectrum of logistics services across multiple geographies. Our ability to fulfil their requirements by being an end-to-end logistics partner allows our customers to reduce the number of service providers they engage, thus saving them time and money and ultimately simplifying their operations, while also providing enhanced cost competitiveness. Many of our customers currently use us for only a portion of their overall logistics needs. By offering additional services and value-additions that can be integrated with our existing capabilities, we believe we will attract additional business from existing customers.

To capitalise on the burgeoning e-Commerce industry in India, and leveraging on our experience of more than two decades, we offer a complete suite of e-Commerce logistics solutions including direct receipt of orders from vendors; product inspection; demand planning; pick & pack services; order fulfilment; handling returns, re-labelling items which form a part e-fulfilment services. Our e-Commerce solutions are supported by value-added services like Cash on Delivery and Reverse logistics (Return to Origin)

Through our subsidiary Gati Kausar, we offer customized solutions for temperature sensitive shipments to consumer foods, QSR, pharmaceuticals; retail and agri-food sectors. Through use of specialized fleet of over 200 refrigerated vehicles and customized technology, prioritising customer-specific needs within food and drug safety protocols remains our principal goal at Kausar.

We believe that our comprehensive service offerings and established track record as an integrated end-to-end logistics services provider provide us with a significant competitive advantage.

Strong network coverage and wide geographical reach

To support our growth initiatives, we have established an integrated branch network that has helped to optimize operational costs and improve our ability to deliver our services to our customers effectively. We operate through more than 550 operating units in over six countries. We serve this network with a fleet of more than 5,000 vehicles partner with over 2,700 business associates for first and last mile pick-up and delivery services, apart from associates providing line-haul and feeder vehicles that helped us deliver more than 66.65 million packages in Fiscal 2015. Our operations are controlled through 4 zonal offices, 16 express distribution centres, 61 distribution warehouses, 32 air transit centres, 7 rail transit centres, 133 customer convenience centre owned (depot), 264 customer convenience centres franchised (franchisees), a centralised call centre and about three million sq. ft. of warehousing space across the country. These operating units help us provide wide geographical reach with last mile connectivity, which is critical to the success of our express distribution and e-Commerce logistics business. Our e-Commerce logistics offerings have an extensive reach. We have also introduced several checks and processes for achieving procedural discipline to ensure on-time delivery to supplement our strong network coverage. The express distribution segment is characterized by high barriers to entry, such as the time, cost and infrastructure required to develop the operational capabilities necessary to handle package movements such as ours, substantial industry regulatory requirements and significant capital investments required over time to build a robust hub-and-spoke network of operating units. Our organization combines the benefits of this established pan-India network with the local market knowledge of our branch-level employees to provide our customers with extensive reach to service their requirements.

Information Technology capabilities

Information technology is a critical differentiator in the logistics industry, providing the crucial ability to track the locations of large numbers of shipments along the supply chain. We have developed our proprietary enterprise resource planning software, GEMS (Gati Enterprise Management Systems). The advanced IT system ensures sharing of operations data between our operations, our customers and our service providers in order to facilitate warehouse management, route optimization, freight consolidation, back office functions and other services. We believe our technology platforms enable us to enhance profitability, optimize decision-making, and create more streamlined and cost-effective processes for our customers. The quality of our information technology capabilities has garnered us industry awards for technology innovation and the *CIO Hall of Fame award* by virtue of being the perseverant winner of the CIO 100 Award for the fourth consecutive year and recognition in technology publications like CIO, Information Week and Dataquest.

Long term relationships with clients

We cater to large corporates across various industry sectors. For our express distribution and supply chain solutions, we count leading players from the automobiles, electronics, pharmaceutical and FMCG sectors as our long standing customers. Within a short time since its inception, our e-Commerce logistics offering has some of the largest e-Commerce players using us as a logistics partner and with these relationships we delivered 6 million packages in Fiscal 2015, which was an increase of 149.2% over the corresponding twelve month period (nine months of Fiscal 2014 and three months of Fiscal 2013 on account of change in accounting year), underscoring the trust that the e-Commerce players continue to repose in us. Our cold chain solutions, with their customized offerings has allowed us to build relationships with more than 50 clients across QSR, F&B Industry, retail and pharmaceutical industries. We focus on building and maintaining long-term customer relationships. We serve over 9,000 customers and cross-selling package and supply chain services across our customer base is an important growth mechanism for us. We have built a leading and trusted brand that stands for quality service and reliability.

Most of our large customers (in terms of revenue and volumes) continue to engage our service and during Fiscal 2013, Fiscal 2014 and 9M Fiscal 2015, our top twenty customers, by revenues, constituting approximately 12.05%, 12.51% and 12.42% of our total customer base, contributed approximately ₹ 1,533 million, ₹ 1,397 million and ₹ 1,532 million of our total revenues, respectively, which we believe is a testament of our abilities to service and retain customers.

Professional and experienced Board and management team

The Company has an experienced Board that oversees and guides our strategy and operations. Our Board has constituted several sub-committees including the Risk Management Committee, the Finance Committee, the Audit Committee and the Stakeholders' Relationship Committee for timely decision-making and to ensure effective governance. Our directors include individuals experienced in a wide range of subjects relevant to our business including logistics FMCG, hospitality, healthcare, telecom, law, finance and international trade. Our Promoter Mr. Mahendra Agarwal has three decades of experience in logistics and has memberships and leadership positions on several industry bodies. Similarly, the members of our experienced management team and our employees share our common vision of excellence in execution and exhibit a diverse set of backgrounds with substantial experience including FMCG, information technology, business operations, sales, customer relationship management and branch administration. We believe that these individuals collectively have helped us reach and achieve significant milestones. For further details on our Board see the section "Board of Directors and *Key Managerial Personnel*" on page 98 of this Preliminary Placement Document.

Our Business Strategy

By executing our strategy, we have built leading positions in some of the fastest-growing sectors of transportation logistics. Our presence in the fast growing e-Commerce and cold chain sector, we believe, will drive our business going forth. We believe growing profitability and increasing shareholder value will accrue by pursuing and executing the following business strategies:

Optimization of operations

Our reputation is based on our service levels that we provide, tailored to our customers' shipping needs, as we compete in a premium service based on reliability, timeliness and visibility. Our operations strategy includes increasing the package volumes moving through our network and broadening the scope of our service offerings in high-growth segments. In connection with this strategy, we are continuing to optimize our existing operations by implementing advanced information technology and leveraging our carrier capacity across services we offer. Our company has implemented certain initiatives that we believe are necessary for future success and growth, through our initiative "*Udaan*". The operational initiative under this *Udaan* include:

- National Grid Initiative: A centrally controlled national grid supported by a regional dynamic network.
- Network Optimization
    - Strategic long term decision indicating the location our operating units.
    - Medium term decision indicating the route optimization.
    - Short term decision indicating the vehicle count, capacities & schedules

Expanding operations in high growth industries

We believe that as one of the leading e-Commerce logistics service providers, we are strategically placed to benefit from the expected growth in the industry. With the Indian e-Commerce industry set to grow at a rapid pace, and achieve a GMV of US$9bn by CY16, clocking 12 million orders per month, we believe that this will provide logistics providers with growth opportunities (*Source: Accel Partners*). Valued at INR132 billion in 2012, the Indian cold chain industry is expected to grow at a CAGR of 16 percent until Fiscal 2017. Transportation is expected to grow at a higher CAGR of 18 percent as compared to storage, which is expected to grow at a CAGR of 16 percent during Fiscal 2017. With an established presence in cold chain, we are well positioned and will be able to capitalize on the growth opportunity that this presents. We plan to setup 17 cold chain warehouses and expand the fleet size to 375 by Fiscal 2017.

Our growth strategy for our cold chain operations, is to complement our delivery capabilities with cold warehouse development. Likewise, we will be strengthening our sales structure and operational processes to support an end-to-end cold chain solution. On our e-Commerce logistics operations, our strategic initiatives remain to support the volume growth through investment in new facilities, infrastructure and technology

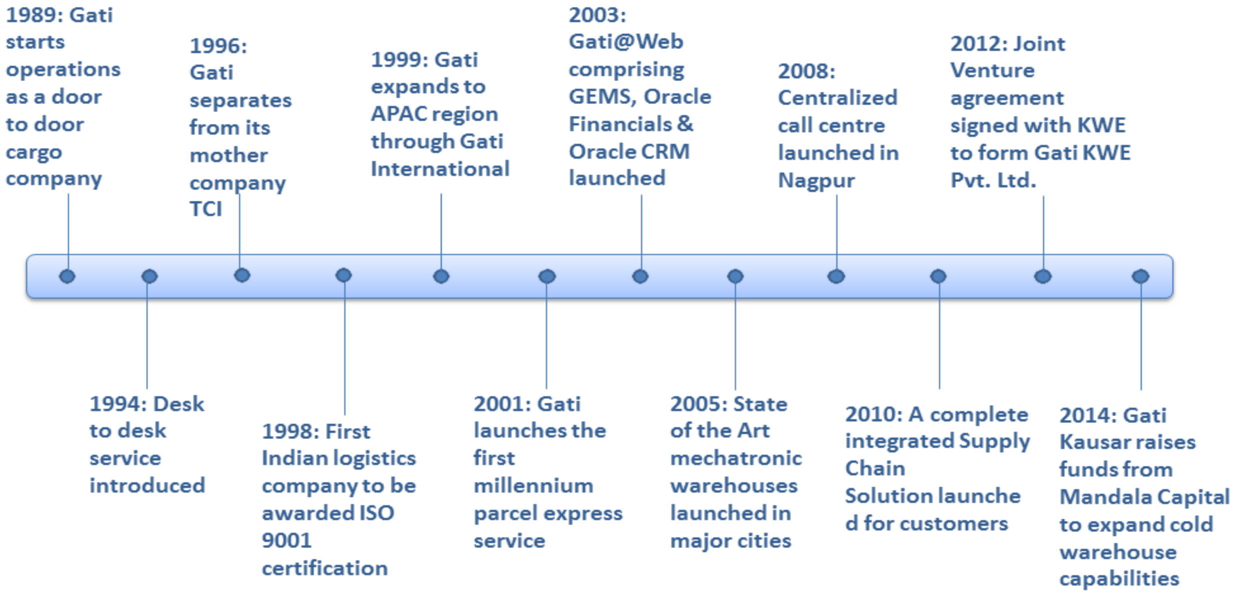
Increasing preparedness of our clients for regulatory change

The implementation of GST, we believe, will be a major *game-changer* in the logistics industry. Many end users will revamp their supply chains, realigning the locations of warehouses, corridors used and transportation options exercised, thus generating tremendous business opportunities for logistics firms specializing in supply chain reengineering as well as for providers of network optimization tools such as transportation management systems (TMS). Re-organized countrywide networks would decrease cost of primary freight since warehousing locations are likely to be placed closer to consumption locations. In contrast, this would increase secondary freight due to fewer warehouses. We believe that being a large player in the logistics sector, we would be well positioned to offer services under the new GST regime. We have had discussions at various levels within our organization as well as our customer organizations to understand the potential impact that the implementation of GST will have on the operations of our customers.

Key Events

Our Company started its operations as a door-to-door cargo company, a division of Transport Corporation of India (TCI) in 1989. Mr. Mahendra Agarwal - MD & CEO of our Company, wanted to rebuild TCI based on processes, systems and manage it professionally to meet consumer implicit and explicit delivery needs.

The following are the key events in our Company's history:



Our Business

Our Company along with its subsidiaries have been providing various logistics services for over two decades. The business verticals in which we are currently engaged are as follows:

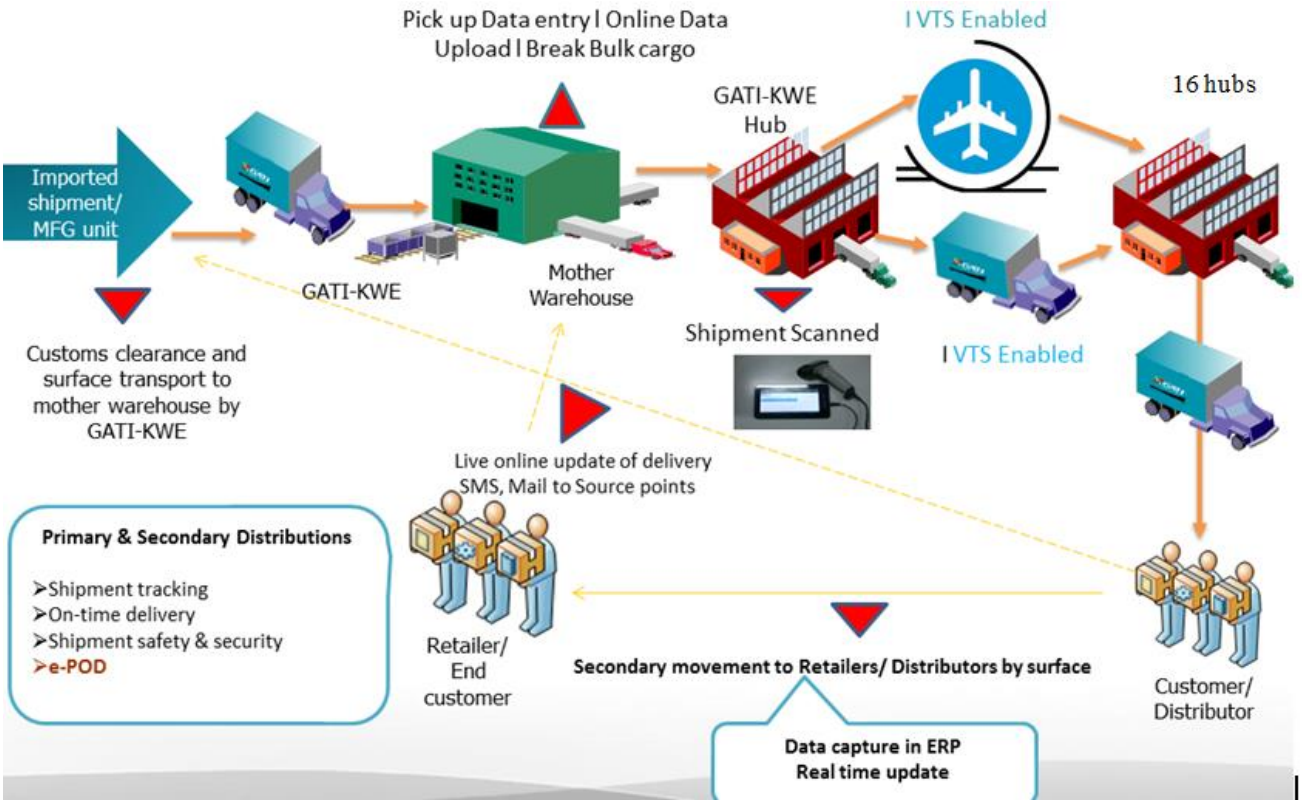
Express distribution	▪ Premium Services ▪ Express Services ▪ Gati- KWE Rail Transport Solutions
Supply chain solutions	▪ Managed Services ▪ Contract Logistics ▪ Upstream supply chain management services
e-Commerce Logistics	▪ Premium Services ▪ Express Services ▪ Reverse Pick up ▪ E-fulfilment Services
International services	▪ Air and Road Freight Management Solutions ▪ Services for SAARC countries ▪ Customs Clearance ▪ Project Logistics
Cold Chain Solutions	▪ Primary Distribution ▪ Secondary Distribution ▪ Dedicated Reefer Fleet ▪ Customized cold chain solutions
Trading solutions	▪ Imports/exports of products as importer/exporter of record (IOR/EOR) ▪ Billing & centralized distribution solutions to end customers ▪ High sea sales management

Our company offers value through identifying specific customer needs, then providing seamless access to the above services of our operating segments in order to respond with customized solutions. Our services and usage of information technology, both internally to manage our business processes and externally to provide package visibility to our customers, are examples of how we add value to the services we offer our customers.

Express Distribution

Our Company hived off its Express Distribution and Supply Chain division to its subsidiary Gati-KWE, in strategic partnership with Kintetsu World Express (KWE). Gati- KWE has a reach in over 99% of districts in India, fleet strength of more than 5,000 vehicles and warehousing capacity of close to three million square feet, and direct relationships with commercial airlines for moving air cargo

The typical movement of goods from our customers to the delivery point is illustrated below:



Based on the systems and processes we have in place, we are able to offer a wide variety of services that can be chosen by our clients based on their requirement. Some of the services we offer are:

- *Premium Services*: Delivery of shipments within 12 hours or next day before noon across all major ports in India and delivery within 24 hours, 48 hours and more than 48 hours (multimodal) to all locations across India depending on the location.

- *Express Service*: This is a high speed surface cargo movement service that uses hub and spoke model for connectivity across locations in India.

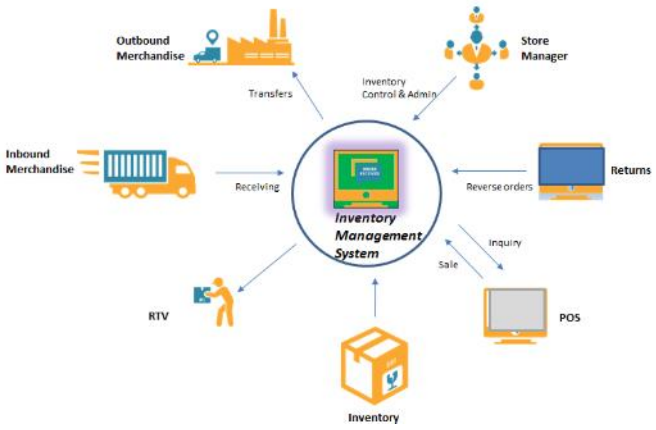
- *Rail Transport Solutions:* Gati-KWE has introduced the Parcel Train Service that offers fast and safe connectivity across selected major locations in India to send bulk consignments.

- *Special Services*: We offer a wide range of special services, which caters to customer across different groups. They include Secure Box; Desk to Desk; Laabh (insured delivery); Art Express; Student Express;

Supply chain solutions

Our supply chain solution offers an integrated supply chain service to businesses across industry verticals. We are equipped to handle flexible point-to-point distribution solutions or complex end-to-end integrated logistics solutions or supply chain management. We partner with clients to identify cost – benefit opportunities that drive value into their business. We achieve this by addressing critical operational constraints, freeing up working capital, improving the flow of information and reforming business processes in order to deliver sustainable competitive advantage.

Under this vertical, we offer three services:



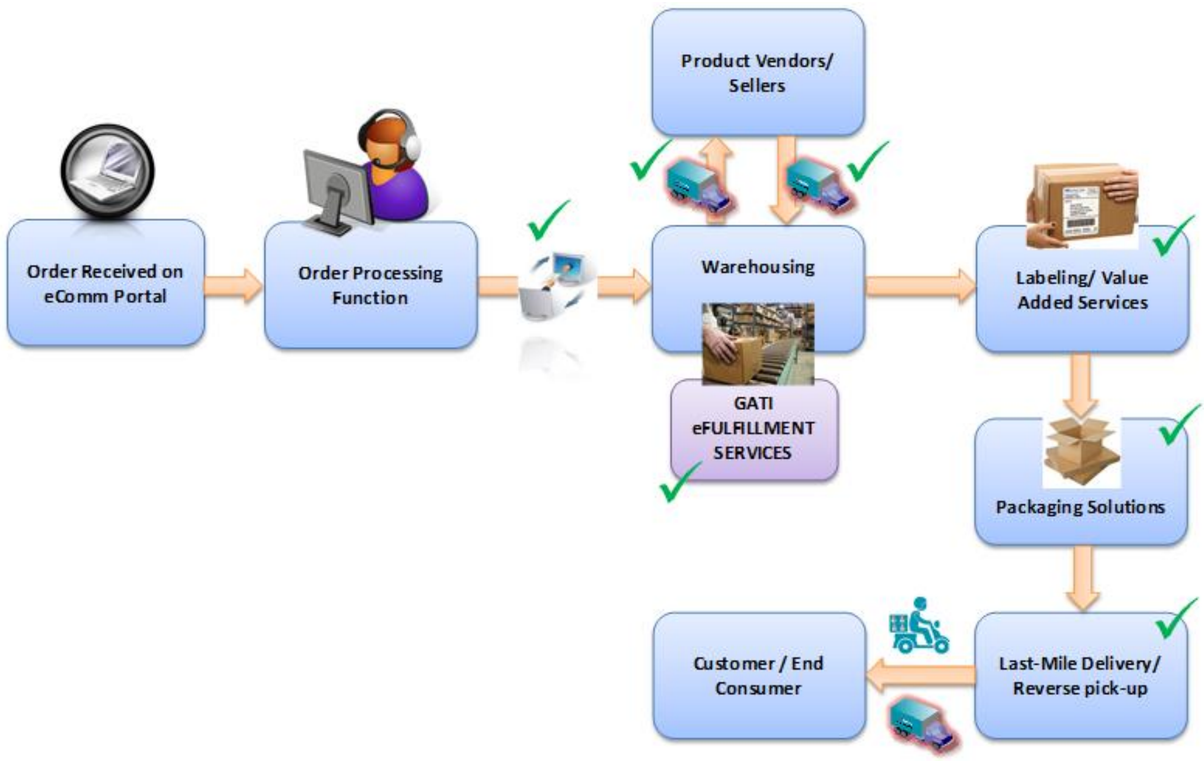
Managed Services: We link multiple logistics and supply chain services, customize them to meet specific customer needs, and manage the integrated solution supported by our platform of self-developed leading logistics technology. The capabilities range from automotive spares management for vehicle on road solutions, retail supply and demand management for on-shelf availability to enhance the customer buying experience across the full order to cash cycle. We encompass services across the *Buy, Move, Store and Sell* functions of supply chain management. An example of the solution we have offered is shown in the diagram to the left.

Re-engineering services: We believe in linking analytics to operational data to adjust our clients existing logistics network, helping them to efficiently adapt to changing market conditions. The In-house solutions experts work with the customer's business to address their strategic and operational supply chain needs. Some of our offerings under re-engineering services include warehouse layout design, logistics process re-engineering and logistics network optimization.

Upstream SCM services: We offer upstream supply chain services like procurement management and order management to seamlessly engage with logistics. Under this, our Import / Export Trading Wing enables integration for international & domestic suppliers to the primary, secondary & tertiary sales channels. We act as an international / domestic buyer or domestic seller. This supports multi-brand retailers, new / regional companies aspiring to penetrate Indian market and organizations who have an outsourcing need.

e-Commerce solutions

Positive buying experience is a vital step in improving consumer confidence in an online retail environment thereby inducing repeat purchase. Our e-Commerce Logistic Solutions vertical is one of India's first integrated e-Commerce logistic solutions provider. We have an extensive reach in India, which is illustrated by our reach to 5,120 direct pin codes and 15,400 remote pin codes enabling e-Commerce businesses to reach the remotest corner of the country. We handle more than ₹ 800 million of cash monthly and remit the funds to the e-Tailer within three days. A synopsis of our e-Commerce business is as follows:



Multi Modal Delivery Solutions and Services:

Express Services: High Speed Surface cargo movement, cost effective with assured date of delivery

Reverse Pick up: Movement of refused and exchange shipments back to the vendor

E-fulfilment centres: Services include pickup from vendors, packing in fulfilment centres and last mile delivery across five centres located at Delhi, Mumbai, Hyderabad, Jaipur and Chennai.

Consolidation Centres: Services include pick-up from sellers, inbound into consolidation centre, service provider wise segregation and tendering.

Packaging Centres: Services include reinforced secondary packaging for white goods offered across seven location i.e. (Delhi, Gurgaon, Mumbai, Bangalore, Hyderabad, Chennai, and Kolkata)

International Services

Gati International, is a provider of freight forwarding and logistics services, specialized in air freight, ocean freight shipments and associated supply chain management solutions. The services offered here are as follows:

(i) Air and Road Freight Management Solutions
(ii) Movement to SAARC Nations
(iii) Warehousing Solutions
(iv) Customs Clearance
(v) Project Logistics
(vi) International Courier In bound and Out bound(from China only)

Trading Services:

GIETL, a subsidiary of Gati Limited, offers clients a unique business partnership in domestic distribution management with logistics efficiency as focus. Some of the services GIETL provides are imports/exports of products as importer/exporter of record (IOR/EOR), billing & distribution to end customers and high sea sales management. We also provide distinctive supply chain solutions to consumer goods companies.

Our USPs

- Our trading platform is a vital enabler for end-to-end logistics solutions
- Bundled proposition of business partnering with customer service

Our typical customers include:

- New entrants / single brand players entering the Indian market
- Companies that want to test the Indian market before investing in their own infrastructure
- Trading companies procuring from multiple manufacturers
- Companies that believe in outsourcing non-core functions to expert agencies

Cold Chain Solutions

We offer customized solutions for temperature sensitive shipments through technology and a vast fleet of over 200 refrigerated vehicles equipped with advanced climate-control systems. Our services are primarily for consumer foods, pharmaceuticals, retail and agri-food sectors. Our aim is to ensure that perishable products are delivered in a fresh, healthy and potent state to end consumers. The solutions offered are as follows:

Primary Distribution: We provide full truck Load services for long haul transportation of bulk and volumetric shipments. These services are provided pan India and based on the load factor (different sizes of vehicles) from manufacturing units to distribution centres or cold storage facilities.

Secondary Distribution: We provide services from distribution centres or cold storage facilities to end users through deployment of fast and efficient In-city vehicles. These services can also cover multiple stores on need basis.

Dedicated Reefer Fleet: Our dedicated reefer fleet services designed exclusively for the food chain businesses will provide 100% customized vehicles round the clock as per our customer's requirement.

Customized Cold Chain Solutions: Leveraging our core capabilities our in house experts provide need based customized solutions based on the customers' requirements. We ensure that all the customers' needs are addressed and his supply chain is enhanced and optimized, which results in reduction in transit time and operational costs.

Organized Retail: Our Organized retail services provide JIT (Just in time) services through LCV (Light Commercial Vehicles) covering F&B and retail chain.

We are able to provide the aforementioned services through an infrastructure that we have developed over the years:

Fleet Strength: Over 200 state-of-the-art refrigerated vehicles; load capacity from 2 tonnes to 24 tonnes; temperature range from +20 to -20 °C; we transport more than 200,000 tonnes annually.

Technology and Capabilities:

- State-of-the-art modern refrigerated units
- Containers with insulation to counter the harsh Indian climate zones
- Modern Vehicle Tracking System and cargo monitoring IT solutions
- Pneumatic suspension for smoother ride
- Well-equipped workshops/service centres across India to ensure consistent service
- Knowledge partners and advisors to optimize & customize cold-chain services
- In-house dedicated solutions team, reefer trucking team and refrigeration team
- Assured availability of vehicles during seasonal demand upswings

Quality Control

- Pre-trip inspection of the vehicle, container and AC Plant
- Pre-cooling of carrier for the required cargo
- Verification of product to meet safe transportation parameters
- Data loggers to monitor in-transit conditions
- Tamper-proof vehicles to mitigate pilferage risk
- PMS(Planned Maintenance System) for equipment upkeep
- Regularly maintained reflective coating to reduce heating from solar incidences

Competition

The logistics industry is intensely competitive with thousands of companies competing in the domestic and international markets. Our competitors include local, regional, national and international companies with the same services that our business units provide. While we compete with smaller operators on regional basis, only a limited number of companies represent direct competition in all geographies we operate. We believe that our primary competitors are as follows:

- Safexpress
- Blue Dart
- TCI-XPS, TCI-SCS (reporting segments of Transport Corporation of India)
- FedEx India

We compete on service, reliability, technology and price. The health of the transportation logistics industry will continue to be a function of domestic and global economic growth. However, we believe we will benefit from a long-term outsourcing trend that should continue to enable certain sectors of transportation logistics, particularly the express distribution segment, to grow at rates that outpace growth in the macro-environment.

Branding and Intellectual Property

All our products and services have distinct identities. A summary of our intellectual properties is as follows:

Intellectual Property	Description
GATI	Logo of our flagship Company, Gati Limited
GATI KWE Ahead in reach	Gati-Kintetsu Express Private Limited (Gati-KWE) is a company with Gati holding70% of the paid up equity capital and Kintetsu World Express - Japan's leading logistics provider, holding 30% of the paid up equity capital
GATI KAUSAR Cold Chain Solutions	Gati Kausar is a subsidiary and the cold-chain arm of our Company.

Awards and Recognition

We have won several industry awards and recognitions, the following table is a summary of the last two years:

Year	Award Category / By	Award
2015	Committee of Commissioners, Hyderabad	Top Assessee of Service Tax
2014	36th PRSI National CSR Award	Best CSR Project for Sustainable Development
2014	8th Express Logistics & Supply Chain Conclave	Best Road Service Provider of the Year
2014	8th Express Logistics & Supply Chain Conclave	Supply Chain Innovation of the Year
2014	8th Express Logistics & Supply Chain Conclave	ELSC (Express Logistics & Supply Chain) Company of the Year
2014	Mahindra Logistics	Business Partner Award
2014	Confederation of Indian industry	Scale Award for Supply Chain & Logistics Excellence
2014	3rd Asia Manufacturing Supply Chain Summit	"Achievement in Continuous Improvement"
2014	ICC Supply Chain & Logistics Excellence Awards	"Road Transportation"
2014	Confederation of Indian Industry	5s Excellence Award

Insurance

The Company insured its various properties and facilities against the risk of fire, theft and other perils, etc. and has obtained Directors' and Officers' Liability Insurance Policy which covers the Company's Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the expenses pertaining to defense cost and legal representation expenses arising in the normal course of business. We have obtained future money policy to cover money in safe and till counter and money in transit for our branches and various offices, and insurance for some of our vehicles. We have also obtained credit life insurance to cover loans issued to certain borrowers in the event of their death. We also have in place a medi-claim policy for our employees and their dependent family members and a group personal accident policy, which provides uniform benefits to all the employees. For a discussion of certain risks relating to our insurance coverage, please refer to the section entitled "*Risk Factors*" on beginning page 36 of this Preliminary Placement Document.

Human Resources

We have an experienced Promoter and a management team whom we rely upon to anticipate industry trends and to capitalize on new business opportunities that may emerge. We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain talented people. We owe our success to the dedication and commitment of our employees. Our vision is to become an employer of choice by providing a compelling employee value proposition. We strive to attract the best talent in the industry and ensure our employees' development, retention and contribution to the Company's success. We have instituted an Employee Stock Option Plan under which employees of the Company/Subsidiary include all the Directors, except Promoter Directors of the Company/Subsidiaries are eligible to participate in the Gati ESOP. As on March 31, 2015 we had, on our rolls, over 3,900 employees.

Properties and Facilities

The registered and corporate office of our Company is located at Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad – 500084. Further, we are present at more than 550 locations across the country. Our properties include zonal offices, EDCs, GDWs and other operating units. While we own some of the properties we are operating from, most of the premises we use in our business are leased from various parties. The following is a list of registered offices of our subsidiaries and us from which we operate:

Name of the Company	Regd. & Corp. office Address	Branch office Address
Gati Limited	Plot no.20, Sy. No.12, Kothaguda, Kondapur, Hyderabad - 500 084.	309, Kumari Marg, Opp: Mess Gate, Kathmandu, Nepal
Gati-Kintetsu Express Pvt. Limited.	Plot no.20, Sy. No.12, Kothaguda, Kondapur, Hyderabad - 500 084.	-
Gati Kausar India Limited.	1-7-285, M.G.Road, Secunderabad - 500 003.	-
Gati Import Export Trading Limited.	1-7-293, M.G.Road, Secunderabad - 500 003.	-
Zen Cargo Movers Pvt. Limited.	AG- 50, Sanjay Gandhi Transport Nagar, G.T. Karnal Road, New Delhi - 110042.	-
Gati Logistics Parks Pvt. Limited.	1-7-293, M.G.Road, Secunderabad - 500 003.	-
Gati Projects Pvt. Limited.	1-7-293, M.G.Road, Secunderabad - 500 003.	-
Gati Asia Pacific Pte Limited.	3 Changi North Street 2, #01-01 Logis Tech, Singapore – 498827	-
Gati Cargo Express (Shanghai) Co. Limited.	Ground Floor, East Gate, No.399 Huqingping Road Shanghai China,201105	-
Gati Hong Kong Limited.	Unit 29 UP, 7/F Metro Centre II No. 21, Lam Hing Street, Kowloon Bay, Hongkong	-

Corporate Social Responsibility

The Companies Act, 2013 mandates for the Corporate Social Responsibility (CSR) and has formally introduced CSR to the dashboard of the Boards of Indian Companies. Though, the industry has responded positively to the reform measures undertaken by the Government in the larger interests across the public and private sector, Indian and Multinational Companies, CSR is not new to Gati and we are veteran CSR practitioner. Gati, since its inception in 1995, has been working towards betterment of society and environment in which it operates. While, being socially sensitive and responsible, we have undertaken several activities in Education, Community Development, Environment Sustainability and Rural Development Projects/Preventive Healthcare, besides supporting the Governments efforts and initiatives to rehabilitate victims of natural calamities viz., earth quake in Gujarat, Tsunami down south, floods in States with sea shore and its latest contribution to the flash flood victims of Uttarakhand. The Scope of Activities are taken into account as per the Schedule VII of the Act. Preference is given to the local areas where the offices of the Company are situated. The CSR programs and activities are broadly classified under four major areas.

Program	Activities
Education	Adopted government school in Banjara Hills, Hyderabad Undertook the development of the MC High School, Nagore, Tamil Nadu School Infrastructure development Setting up computer labs Construction of toilets for students Sports activities development Important School Events celebrations Students Meritorious Awards
Community	Managing Orphanages and conducting inmates health check up Voluntary contribution by employees and Gati towards rebuilding of Uttarakhand post 2013 floods Supplying of Medicines & Nutritional supplements Regular Health checkups for Drivers & Handlers Blood Donation Camps Delivering aid to Telangana flood affected
Environment Sustainability	Solid Waste Management E-waste Management and recycling Energy & Water conservation Tree plantation Wildlife conservation

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our businesses. Taxation statutes such as the I.T. Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labor regulations such as the Employees' Provident Fund and Miscellaneous Act, 1952 and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, Transfer of Property Act, 1882 apply to us as they do to any other Indian company. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The Customs Act, 1962

The Customs Act came into force on February 01, 1963 and has been enacted for the purpose of consolidating and amending the law relating to customs along with the levy of duty of customs. Customs duty is a duty or tax which is levied by the Central Government on import of goods into and export of goods from India. It is collected from the importer and exporter of goods, but its incidence is actually borne by the consumer of the goods and not by the importer or the exporter who pays it. These duties are usually levied with ad valorem rates and their base is determined by the domestic value, the imported goods calculated at the official exchange rate. Similarly, export duties are imposed on export values expressed in domestic currency.

The said Act stipulates provisions relating to clearance of imported goods and export goods, goods which are not cleared, goods warehoused or transshipped within 30 days after unloading, for storage of imported goods in warehouses pending clearance, for goods in transit etc., subject to prescribed conditions.

Carriage Road Act, 2007

The Carriage by Road Act, 2007 was notified on September 29, 2007 and has repealed the Carriers Act, 1865. The Carriage by Road Act has been enacted for the regulation of common carriers, limiting their liability and declaration of value of goods delivered to them to determine their liability for loss of, or damage to, such goods occasioned by the negligence or criminal acts of themselves, their servants or agents and for matters connected therewith. No person can engage in the business of a common carrier, unless he has a certificate of registration.

A "common carrier" has been defined under the Carriage by Road Act as a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under a goods receipt or transporting for hire of goods from place to place by motorized transport on road, for all persons in discriminatingly and includes a goods booking company, contractor, agent, broker, and courier agency engaged in the door-to-door transportation of documents, goods or articles utilizing the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, but does not include the Government.

The Carriage of Goods by Sea Act, 1925 ("COGSA")

The Indian Carriage of Goods by Sea Act, 1925 came into force on September 21, 1925 and extends to the whole of India. The Act provides the rules set out under the Schedule to the Act. ("Rules") in relation to and in connection with the carriage of goods by sea in ships carrying goods from any port in India to any port whether in or outside India. It also provides that every bill of lading, issued in India which contains or is evidence of any contract to which the Rules apply, shall contain an express statement that it is to have effect subject to the provisions of the said Rules. The Rules also set out the responsibilities, liabilities and the rights and immunities of the carrier.

The Carriage by Air Act, 1972 ("Carriage by Air Act")

The Carriage by Air Act came into force to give effect to the Convention for the unification of certain rules relating to international carriage by air signed at Warsaw on the 12th of October, 1929 as amended by the 1955 Hague Protocol. This act is applicable to Indian Citizens involved in domestic carriage by air and in international carriage by air irrespective of the nationality of the aircraft performing the carriage.

The Carriage by Air Act sets out a limit up to which a carrier is absolutely liable for damage/death/bodily injury sustained in course of air travel on board a carrier and in the course of any operations of embarking/disembarking in context to a passenger. This Act also established a 'per kilogram' limit of liability for personal baggage (checked in-hand) and air freight cargo to which a carrier is absolutely liable.

Motor Vehicles Act, 1988

The Motor Vehicles Act, 1988 (MV Act) aims at ensuring road transport safety. The MV Act, among other things, provides for compulsory driving license, compulsory insurance, compensation in case of no fault liability and 'hit and run' motor accidents, compensation by the insurer to the extent of actual liability to the victims of motor accidents irrespective of the class of vehicles. Under the MV Act it is the responsibility of the owner of the vehicle to ensure that the driver of the vehicle has a valid driving license and is not below the prescribed age limit. Acts such as driving the vehicle without a valid license, allowing such person to use the vehicle, and driving vehicle of unsafe condition, are criminal offences under the MV Act. The Central Motor Vehicles Rules, 1989 formulated under the MV Act provide for, among other things, procedures to register the motor vehicle and obtain licenses.

Warehousing (Regulatory and Development) Act, 2007 ("Warehousing Act")

Warehousing Act has come into force in India with effect from October 25, 2010. The Warehousing Act provides for issuance of negotiable warehousing receipts. Besides mandating the negotiability of warehouse receipts, the Act prescribes the form and manner of registration of warehouses and issue of negotiable warehouse receipts including electronic format. The Act provides that no person shall commence or carry on the business of warehousing without obtaining a registration certificate in respect of the concerned warehouse or warehouses granted by the Authority under the Act. However, no such registration is being required for warehouses which do not propose to issue negotiable warehouse receipt.

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (**Legal Metrology Act**) has come into effect after its publication in the Official Gazette on January 14, 2010 and has been operative since March 1, 2011. The Legal Metrology Act replaces The Standards of Weights and Measures Act, 1976 and The Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are:

- Appointment of Government approved test centers for verification of weights and measures;
- Allowing companies to nominate a person who will be held responsible for breach of provisions of the Act;
- Simplified definition of packaged commodity; and
- More stringent punishment for violation of provisions.

The Central Motor Vehicles Rules, 1989

The Central Motor Vehicle Rules provides the rules and procedures for the licensing of drivers, driving schools; registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third party risks.

The Multimodal Transportation of Goods Act, 1993 ("MTG Act")

The MTG Act came into force with effect from April 02, 1993 and is one of the principal legislation for the purpose of governing the regulation of multimodal transportation of goods, from any place in India to a place outside India, on the basis of a multimodal transport contract (which is a contract under which a multimodal transport operator undertakes to perform or procure the performance of multimodal transportation against payment of freight) and for matters connected therewith or incidental thereto. The said Act deals in carriage of goods, by at least two different modes of transport under a multimodal transport contract, from the place of acceptance of goods in India to a place of delivery of the goods outside India.

Under the MTG Act, business in multimodal transportation can commence only upon obtaining registration by the Competent Authority as defined in the Act. If the competent authority is satisfied that all the conditions under the MTG

Act are satisfied it may grant a certificate to the applicant which shall be valid for a period of 3 years and which may be renewed from time to time for a further period of 3 years.

The Food Safety and Standards Act, 2006

The Food Safety and Standards Act, 2006 ("**FSS Act**") constituted the Food Safety and Standards Authority of India ("**FSSAI**"), to regulate and monitor the manufacture, processing, distribution, sale and import of food, to ensure availability of food safe for human consumption and establish the food safety standards, and an appropriate system for its enforcement. The FSSAI is required to provide scientific advice and technical assistance to the central government and the state governments in framing the policy and rules regarding food safety and nutrition. The FSS Act provides for the licensing and registration of food businesses, and prescribes, responsibilities of the food business operators, rules relating to packaging and labelling, restrictions on unfair trade practices, and the liability of manufacturers, packers, wholesalers, distributors and sellers.

The Food Authority has also framed the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminates, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

The key provisions of the FSSA are:

- Establishment of the Food Authority to regulate the food sector;
- The Food Authority will be aided by several scientific panels and a central advisory committee to lay down standards for food safety. The standards will include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels;
- Enforcement through „state commissioners of food safety‟ and other local level officials;
- Registration or licensing requirement for every entity in the food sector. Such license or a registration would be issued by local authorities;
- Every distributor is required to be able to identify any food article by its manufacturer, and every seller by its distributor; and
- Any entity in the sector is bound to initiate recall procedures if it finds that the food sold has violated specified standards.

The Petroleum Act, 1934 ("Petroleum Act")

The Petroleum Act primarily deals with import, transport, storage, production, refining and blending of petroleum. It prescribes that import, transport and storage of petroleum can only be done in accordance with the rules prescribed by the Central Government. The Act empowers the Central Government to make rules regarding, inter alia, the places at which and prescribing the conditions subject to which petroleum may be stored; the nature, situation and condition of all receptacles in which petroleum may be stored and prescribing the form and conditions of licenses for the import of petroleum Class A and for the transport or storages of any petroleum.

A storage license is required for the storing of petroleum. However, a person need not obtain a license for the transport or storage of petroleum Class B if the total quantity in his possession at any one place does not exceed two thousand and five hundred litres and none of it is contained in a receptacle exceeding one thousand litres in capacity; or petroleum Class C if the total quantity in his possession at any one place does not exceed forty-five thousand litres and such petroleum is transported or stored in accordance with the rules prescribed; or petroleum Class A not intended for sale if the total quantity in his possession does not exceed thirty litres.

Section 9 of the Petroleum Act prescribes that the owner of a motor conveyance, who complies with the requirements of the law relating to the registration and licensing of such conveyance and its driver such as obtaining necessary driver's license and road permits and the owner of any stationary internal combustion engine, shall not be required to obtain a license (a) for the import, transport or storage of any petroleum contained in any fuel tank incorporated in the conveyance or attached to the internal combustion engine; or (b) for the transport or storage of petroleum Class A not exceeding one hundred litres in quantity; in addition to any quantity possessed under (a) mentioned above, provided the petroleum is intended to be used to generate motive power for the motor conveyance or engine and the total quantity of petroleum Class A does not exceed one hundred litres.

The Petroleum Rules, 1976 ("Petroleum Rules")

The Petroleum Rules prescribe that no person shall deliver or dispatch any petroleum to anyone in India other than the holder of a storage license. However no license is required for the storage of petroleum in well-head tank; or for the storage of petroleum as transit cargo within the limits prescribed. A certificate of safety should be submitted to the licensing authority before storage of petroleum. All operations within an installation, service station or storage shed should be conducted under the supervision of an experienced responsible agent or supervisor who is conversant with the terms and conditions of the license. With respect to storage, the rules also prescribe various conditions for protection against fire, drainage, cleanliness, protection of the area.

Drugs and Cosmetics Act, 1940

The Drugs and Cosmetics Act, 1940 was enacted to regulated the laws with relation to drugs and cosmetics in India and bring about uniformity in the enforcement of drugs laws. The Central Government, being authorized to issue rules under the Drugs and Cosmetics Act, has issued Drugs and Cosmetics Rules, 1945. The Drugs and Cosmetics Act along with the Drugs and Cosmetics Rules regulate the manufacture, sale and distribution of drugs through the state authorities; and regulate the approval of new drugs, clinical trials and lay down the standards for drugs, including control over the quality of imported drugs in the country, through the central authorities.

Environmental Regulations

Our Company is subject to Indian laws and regulations concerning environmental protection. The principal environmental regulations applicable to industries in India are the Water (Prevention and Control of Pollution) Act, 1974, the Water Access Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981, the Environment Protection Act, 1986 and the Hazardous Wastes (Management and Handling) Rules, 1989. Further, environmental regulations require a company to file an Environmental Impact Assessment (EIA) with the State Pollution Control Board (PCB) and the Ministry of Environment and Forests (MEF) before undertaking a project entailing the construction, development or modification of any plant, system or structure. If the PCB approves the project, the matter is referred to the MEF for its final determination. The estimated impact that a particular project might have on the environment is carefully evaluated before granting clearances. When granting clearance, conditions may be imposed and the approving authorities may direct variations to the proposed project.

Motor Transport Workers Act, 1961 ("Motor Transport Workers Act")

The Motor Transport Workers Act provides for the welfare of motor transport workers and to regulate the conditions of their work. It applies to every motor transport undertaking employing five or more motor transport workers. Section 2(g) defines ‘Motor transport undertaking’ as a motor transport undertaking engaged in carrying passengers or goods or both by road for hire or reward, and includes a private carrier. The Motor Transport Workers Act prescribes that such motor transport undertakings should be registered under the Act. A ‘motor transport worker’ means a person who is employed in a motor transport undertaking directly or through an agency, whether for wages or not, to work in a professional capacity on a transport vehicle or to attend to duties in connection with the arrival, departure, loading or unloading of such transport vehicle and includes a driver, conductor, cleaner, station staff, line checking staff, booking clerk, cash clerk, depot clerk, time-keeper, watchman or attendant.

The Motor Transport Workers Act lays down detailed provisions for regulating work hours, payment of wages and protection of the welfare and health of the employees. Any contravention of a provision regarding employment of motor transport workers is punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to seventy-five rupees for every day during which such contravention continues after conviction for the first such contravention.

Foreign Investment

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999, as amended (**FEMA**) read with the applicable FEMA Regulations. Foreign Direct Investment (**FDI**) Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (**DIPP**), with effect from April 17, 2014, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP.

Foreign investment is permitted (except in prohibited sectors) in Indian companies either through the automatic route or the approval route, where approval from the Government of India or the Reserve Bank of India (**RBI**) is required, depending upon the sector in which foreign investment is sought to be made.

100% FDI is permitted under the automatic route in respect of the businesses carried out by us.

Labor Laws

Our Company is regulated by various labor laws, rules and regulations including, but not limited to Workmen's compensation act, 1923; Payment of Gratuity Act, 1972; Payment of Bonus Act, 1965; Maternity Benefit Act, 1961; Minimum Wages Act, 1948; Payment of Wages Act, 1936; Workmen Compensation Act, 1923; Contract Labor (Regulation and Abolition Act), 1970; Employees State Insurance Act, 1936; Employees Provident Funds & Miscellaneous Provisions Act, 1950; Factories Act, 1948 and Industrial Disputes Act, 1947, where applicable.

Intellectual Property Laws

In India, trademarks enjoy protection under both statutory and common law. The Trade Marks Act, 1999 protects a distinct 'mark'. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or combination thereof. Once a mark it registered, it is valid in India only, for a period of 10 years and can be renewed from time to time in perpetuity. Registration of a trademark grants an owner the right to exclusively use the trademark as a mark of goods and services and prevents the fraudulent use of deceptively similar marks by any third party. The Trade Marks Act also makes special provision for application of marks as 'collective marks'. The Registrar of Trademarks is the authority responsible for registration of the trademarks, settling opposition proceedings and rectification of the register of trademarks.

Property Laws

The Transfer of Property Act, 1882 (**TP Act**) lays down general principles for the transfer of immovable property in India. It specifies the categories of property that can be transferred, the persons competent to transfer property, the legitimacy of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The TP Act recognizes, among others, sale, mortgage, charge and lease as forms in which an interest in an immovable property may be transferred.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

As on date of this Preliminary Placement Document, our Company has nine Directors with a Non-Executive Chairman. Out of the nine Directors, six are independent Directors.

Clause 49 of the Listing Agreement requires that at least half of the Board of Directors should comprise of non-executive directors. In addition, it also requires that if our chairman is a non-executive director, at least one-third of the Board of Directors should comprise independent directors and in case he is an executive director, at least half of the Board of Directors should be comprised of independent directors.

Pursuant to the provisions of the Companies Act, at least two-thirds of the total numbers of Directors excluding the Independent Directors are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, the Independent Directors may be appointed for a maximum of two terms of up to five consecutive years each. Any re-appointment of Independent Directors shall *inter-alia* be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

The following table sets forth details regarding the Board of Directors as of the date of this Preliminary Placement Document:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation	Other Directorships
1.	**Mr. Krishan Lal Chugh** **Address**: N-79, Panchsheel Park, New Delhi 110017 **Occupation**: Professional **DIN**: 00140124 **Term**: Five (5) years **Nationality**: Indian	77 years	Non-Executive Chairman	1. Sandhar Technologies Limited 2. Kullu Valley Power Private Limited 3. Fozal Power Private Limited 4. Solaryan Technologies Private Limited 5. Smartvalue Ventures Private Limited
2.	**Mr. Mahendra Agrawal** **Address:** #2, 8-2-415/1, Road Number 4, Banjara Hills, Hyderabad -500 034 **Occupation**: Business **DIN**: 00179779 **Term**: Five (5) Years **Nationality:** Indian	61 years	Mananging Director & CEO	1. TCI Industries Limited 2. TCI Finance Limited 3. Deccan Enterprises Limited 4. Gati- Kintetsu Express Private Limited 5. Amrit Jal Venture Private Limited 6. Mahendra Investment Advisors Private Limited 7. TCI Telenet Solutions Private Limited 8. Express Industry Council of India 9. Gati Kausar India Limited
3.	**Dr. Pesara Sudhakar Reddy** **Address:** 401, 4th Floor, Lumbini Lakeview, Rajbhavan Road, Hyderabad- 500 082 **Occupation**: Professional **DIN**: 00608915	78 years	Independent Director	1. Bhoruka Textiles Limited 2. Pathcare Labs Private Limited

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation	Other Directorships
	Term: Five (5) Years **Nationality**: American			
4.	**Mr. Natesan Srinivasan** **Address:** T 19 (18/2), Sixth Avenue, Beasant Nagar, Chennai – 600 090 **Occupation**: Professional **DIN**: 00004195 **Term:** Five (5) years **Nationality**: Indian	83 years	Independent Director	1. United Breweries (Holdings) Limited 2. Tractors and Farm Equipment Limited 3. Essar Oilfield Services India Limited 4. Redington (India) Limited 5. The United Nilgiri Tea Estates Company Limited 6. TAFE Motors & Tractors Limited 7. ESSAR Shipping Limited 8. Mc Dowell Holdings Limited 9. The India Cements Limited 10. Kartiken Logistics Limited 11. Redington (India) Investments Limited 12. SCM Microsystems (India) Private Limited 13. Paterson Consulting Group Private Limited
5.	**Mr. Sunil Kumar Alagh** **Address:** 12 C, IL Palazzo, Little Gibs Road, Malabar Hills Mumbai - 400 006 **Occupation**: Professional **DIN**: 00103320 **Term**: **Five (5) years** **Nationality**: Indian	68 years	Independent Director	1. United Breweries Limited 2. Gati Import & Export Trading Limited 3. Indofil Industries Limited 4. SKA Advisors Private Limited
6.	**Mr. Prabhu Narain Shukla** **Address:** 161, Samrat Ashoka Housing Society, Plot number 6, Sector 18 A, Dwaka, New Delhi - 110078 **Occupation**: Professional **DIN:** 01868580 **Term: Five (5) years** **Nationality:** Indian	62 years	Independent Director	1. Gati Kausar India Limited 2. Rapid Loginfra Private Limited
7.	**Mr. Yoshinobu Mitsuhashi** **Address:** 3, Balmoral Crescent, #08-02, Balmoral Springs, Singapore **Occupation**: Professional	60 years	Nominee Director	Kintetsu World Express (India) Private Limited

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation	Other Directorships
	DIN: 03121427 **Term** : Liable to retire by rotation **Nationality**: Japanese			
8.	**Mr. Sanjeev Kumar Jain** **Address:** Flat number 102, 1st floor, Vasavi homes, Street number 1, Uma Nagar, Begumpet, Hyderabad – 500 016 **Occupation**: Service **DIN:** 05325926 **Term:** Till July 15, 2015 **Nationality**: Indian	51 years	Executive Director (Finance)	Gati- Kintetsu Express Private Limited
9.	**Ms. Sheela Bhide** **Address: B-1/8, Vasant Vihar, New Delhi, 110057, Delhi** **Occupation:** Business **DIN:** 01843547 Term: Until the commencement of the forthcoming AGM/EGM of the company Nationality: Indian	66 years	Additional Director (Independent)	1. Suryoday Micro Finance Private Limited. 2. L&T Metro Rail (Hyderabad) Limited 3. Gati-Kintetsu Express Private Limited. 4. Rane Holdings Limited

Biographies of the Directors

1. **Mr. Krishan Lal Chugh**

Mr. Krishan Lal Chugh, 77 years, is an Independent Director and Non-Executive Chairman of our Company. He holds a degree in mechanical engineering from Delhi University. Mr. Chugh served as Chairman of the ITC Group from November 1991 to December 1995, and thereafter continued as Chairman Emeritus. He has been closely involved in clonal biotechnology studies relating to production pulpwood trees used primarily in of the Indian paper industry. Mr. Chugh was appointed Director on the Central Board of Reserve Bank of India, Tourism Finance Corporation of India & National Housing Bank of India and Member, Board of Governors of Administrative Staff Collage of India, Indian Institute of Management (IIM), Calcutta, President All India Management Association, National Council of Applied Economic Research. He is presently on the Board of various companies, IIM Bangalore, Delhi Technological University, Population Foundation of India & Kiwanis International. He was elected Financial World's International CEO of the Year 1994, Asia. Mr. Chugh has been a director of our Company since June 30, 1998.

2. **Mr. Mahendra Agarwal**

Mr. Mahendra Agarwal, 61 years is the founder promoter and CEO of our Company. Mr. Agarwal holds a bachelor's degree in engineering from Bangalore University, and a Master's in business administration from University of Austin, Texas (USA). He has been instrumental in our Company's growth, global expansion and diversification across the value chain of the logistics industry. Under his stewardship our Company has been successful in conceptualizing and introducing concepts of door pick up and door delivery, express cargo, retail express cargo, multimodal express delivery, integrated logistics.

Mr. Agarwal was conferred with the "Best Entrepreneur of the Year" award by Hyderabad Management Association in 2008, and was also the recipient of the Lifetime Achievement Award in 2010 at the 4th Express Logistics & Supply Chain Conclave. He is also a part of a number of national and international industry organizations, including founder member of Supply Chain & Logistic Group (SCLG), India member of the international board of advisors for SCLG Global, elected member of CII Southern Region Council, member of CII Institute of Logistics Advisory Council and FICCI's Civil Aviation Committee and FICCI's Logistics Forum. Mr. Mahendra has been a Director of our Company since its inception

3. **Mr. Natesan Srinivasan**

Mr. Natesan Srinivasan, 83 years, is an Independent Director of our Company. He holds a bachelor's degree in commerce and has been a fellow member of the ICAI since 1955. He was the Senior Partner of Fraser & Ross, Chartered Accountants, a member firm of Messrs. Deloitte Touche Tohmatsu International, New York. He has been the Chairman of the Southern India Regional Council and a Central Council Member of the Institute of Chartered Accountants of India. He is the past President of Madras Chamber of Commerce and Industry, Indo-Australian Chamber of Commerce, Management Association and is on the committee of Associated Chamber of Commerce and Industry. He is on the Board of several companies including United Breweries (Holdings) Limited, Mc Dowell Holdings Limited and Redington (India) Limited. Mr. Srinivasan has been a director of our Company since October 18, 2000.

4. **Dr. Pesara Sudhakar Reddy**

Dr. Pesara Sudhakar Reddy, 78 years, is an Independent Director of our Company. Mr. Reddy holds an MBBS degree from Gandhi Medical College, Osmania University and boarded in Internal medicine and Cardiology from American Board of Internal medicine and cardiovascular diseases (USA). He is also a Fellow of the Royal Colleges of Physicians, Edinburgh (UK) Dr. Reddy has been associated as a full-time faculty member of University of Pittsburgh from July 1971 and was Director of Cardiac Catheterization Laboratories of Presbyterian University Hospital, Pittsburgh, PA from July 1972 to 1993. Mr. Reddy has been a director of our Company since April 25, 1995.

5. **Mr. Sunil Kumar Alagh**

Mr. Sunil Kumar Alagh 68 years, is an Independent director of our Company. Mr. Alagh holds a graduation degree in Economics (Hons) and a PGDBM from IIM, Calcutta. He worked with ITC Limited, Calcutta from June 1968 – May 1972, Fritz and Singh Private Limited, Delhi from June 1972 – November 1973, Jagatjit Industries Limited, Delhi from December 1973 – November 1974 and Britannia Industries Limited from December 1974 – June 2003. He has served as managing director and chief executive officer of Britannia Industries Limited from 1989 to 2003. Mr. Alagh was also honoured with the 'Gold Medal Kashlkar Memorial Award 2000' for outstanding contribution to the food processing industry in India. He was a finalist for the Ernst and Young Entrepreneur of the Year Award, 2002. Mr. Alagh has been a director of our Company since April 22, 2004.

6. **Mr. Yoshinobu Mitsuhashi**

Mr. Yoshinobu Mitsuhashi 60 years is a nominee director of Kintetsu World Express (S) Pte Limited. Mr. Mitsuhashi graduated from Keio University, Faculty of Law and Department of Political Science. He joined Kintetsu World Express Inc. in 1979 and after serving in various positions, became the Managing Director of Kintetsu Integrated Air Services Sdn Bhd. Presently, he is the Director and General Manager of South East Asia Region of Kintetsu World Express Inc. He was appointed as director of our Company on June 29, 2012.

7. **Mr. Prabhu Narain Shukla**

Mr. Prabhu Narain Shukla, 62 years, is an Independent Director of our Company. Mr. Shukla holds a Master's degree in physics and LLB from Allahabad University. He also holds a bachelor degree in business management from Perth University, Australia. Mr. Shukla started his career with the Indian Railway Traffic Service in 1976 and has over 36 years of specialized experience in rail transport operations and logistics. He has previously worked in the Ministry of Railways for nine years in various capacities, including as an Executive Director (ED) Transport; ED Tourism & Catering; ED Freight Marketing; Dir of Container Corporation of India and IRCTC and Dir, Operations & Business Development of DFCCIL. He also served as Chief Operations Manager of South Western Railway in 2005-2006 and was responsible as coordinator of international operations of Indian Railways to Bangladesh and Pakistan. Mr. Shukla provides consultancy in railway logistics and rail infrastructure planning to a number of leading companies viz. Hindalco, GMR, Central Railside Warehousing Co., Kakinada port on infrastructure and logistics. Mr. Shukla has been a director of our Company since October 19, 2012.

8. **Mr. Sanjeev Kumar Jain**

Mr. Sanjeev Kumar Jain, 51 years, is the Executive Director -Finance of our Company. He holds a Master's Degree in Commerce from DAV College, Dehradun and is a qualified Chartered Accountant. He has over 25 years' experience in finance and accounting, audit, merger and acquisitions, business restructuring and transformation, and has served in a number of key financial positions across industry and business verticals ranging from telecom, logistics and fertilizers. Prior to joining our Company, Mr. Jain was CFO of AFL- FedEx Limited from Sep 2007 to June 2011, and Global Head-Management Assurance services at Tata Communication Limited. Mr. Jain joined our Company on July 18, 2011 as Chief Finance Officer, before being appointed as Director-Finance of our Company on July 1, 2012. As Executive Director (Finance) Mr. Jain oversees the financial and secretarial functions of the Company.

9. **Ms. Sheela Bhide**

Ms. Sheela Bhide, 67 years, is an Independent Director of our Company. She holds a Doctorate in International Trade from the Institute of International Studies, Geneva and a Master's degree in Economics from George Mason University, USA. She also holds a Master's degree in Public Policy Administration (MPA) from John F. Kennedy School of Government, Harvard University, USA. Ms. Bhide joined the Indian Administrative Service in 1973 and has over 36 years of experience as a civil servant and has served in various government bodies and ministries such as Chairman and Managing Director of India Trade Promotion Organization, Ministry of Commerce, Government of India (GoI), Special Secretary and Financial Advisor in Ministry of External Affairs (GoI), Additional Secretary and Financial Advisor in Ministry of Defense (GoI), Joint Secretary in Ministry of Corporate Affairs (GoI), Principal Secretary Finance, Government of Andhra Pradesh and Principal Secretary, Industries and Commerce, Government of Andhra Pradesh. Ms. Bhide has been a Director of our Company since August 6, 2014.

Relationship with other Directors

None of the directors are related to each other. However Mr. Dhruv Agarwal and Mr. Manish Agarwal, sons of Mr. Mahendra Agarwal are appointed in Gati-KWE (Vice President) & Gati Kausar (Director), respectively, as persons holding place of profit. This was approved in 19th AGM dated August 5, 2014.

Borrowing Powers of the Board

The Board of Directors are authorized to borrow money upon such terms and conditions as the Board may think fit an aggregate amount not exceeding ₹ 6,000 million over and above the aggregate of paid up share capital and free reserves of the Company.

Interest of the Directors and Promoter

All of the non-executive Directors may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings as well as to the extent of reimbursement of expenses payable to them. The Managing Director and Whole Time Director also may be deemed interested to the extent of remuneration paid to them for services rendered. All of the Directors and Promoter may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors and Promoter may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Our Directors and Promoter may be deemed to be interested in the contracts, agreements or arrangements entered into or to be entered into by the Company with any partnership firm in which they are partners or a body corporate in which a director along with any other director holds more than 2% shareholding or is a promoter, manager or Chief Executive Officer. Please see Related Party Transactions in the section "*Financial Statements*" on page 159 of this Preliminary Placement Document.

Except as otherwise stated in this Preliminary Placement Document, we have not entered into any contract, agreement or arrangement during the preceding two years from the date of this Preliminary Placement Document in which any of the Directors or the Promoter are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

As on the date of this Preliminary Placement Document, none of the Directors or the Promoter have availed of any loan from the Company

Shareholding of the Directors

The following table sets forth the shareholding of the Directors as of March 31, 2015:

Name of Director	Designation	No of Equity Shares as on March 31, 2015	Percentage of Equity Shares to the total paid up capital
Mr. Krishan Lal Chugh	Non-Executive Chairman	22,500	0.03%
Mr. Mahendra Agarwal	Managing Director & CEO	3,799,188	4.34%
Mr. Sanjeev Kumar Jain	Whole Time Director	Nil	Nil
Mr. Pesara Sudhakar Reddy	Independent Director	37,500	0.04%
Mr. Natesan Srinivasan	Independent Director	36,500	0.04%
Mr. Sunil Kumar Alagh	Independent Director	77,500	0.09%
Mr. Yoshinobu Mitsuhashi	Nominee	NIL	NIL
Mr. Prabhu Narain Shukla	Independent Director	6000	0.01%
Ms. Sheela Bhide	Independent Director	Nil	Nil

Terms of employment of the Executive Chairman, Managing Director and Whole Time Director

Mr. Mahendra Agarwal – Managing Director & CEO

Mr. Mahendra Agarwal has been appointed as the Managing Director & CEO for a period of five years beginning August 1, 2011, pursuant to approval of our shareholders at the AGM held on November 16, 2011. Further, pursuant a shareholders' resolution dated November 30, 2012, Gati-KWE, Mr. Mahendra Agarwal was appointed as the Chairman and Managing Director of the Gati-KWE and designed as Executive Chairman. Following this, the remuneration of Mr. Mahendra Agarwal was paid by Gati-KWE and the terms of his appointment were as follows:

Remuneration Structure:

- Salary – basic – ₹ 1,000,000 p.m. with authority of the Board to sanction increment within the scale of ₹ 1,000,000 - ₹ 1,500,000 per month.
- Perquisite and other allowance
    a) Furnished accommodation or House Rent Allowance in lieu thereof at the rate of 50% of his salary, reimbursement of expenses incurred on utilities such as gas, electricity, water, furnishings, repairs, etc.
    b) Reimbursement of actual medical expenses incurred for self and family.
    c) Leave Travel Concession / Allowance for self and family, in accordance with the rules of the Company.
    d) Fees of Clubs.
    e) Personal Accident Insurance Premium as per the rules of the Company.
    f) Chauffer driven Company Car and Telephone at residence and use of mobile cell phone. Long distance personal calls will be reimbursed to the Company by the Managing Director.
    g) Company's Contribution to Provident Fund and Superannuation Fund and Gratuity which shall not be included in the computation of limits for remuneration or perquisites.
    h) Leave with full pay and allowances and right to accumulate and encashment as per the rules of the Company.
- For the purpose of calculating the above ceiling perquisites and allowances shall be evaluated as per the Income Tax Rules wherever applicable.
- Commission
    - In addition to salary, allowances and perquisites, he will be entitled to a commission the amount whereof to be decided by the Compensation & HR Committee each year, subject to the provisions of the Companies Act, 1956 and/or any other regulations.

Mr. Sanjeev Jain- Director Finance

Pursuant to provision of Article 125 of Article of Association of the Company and section 198, 269, 309 and 310 read with schedule XII and all other applicable provision , if any, of Companies Act, 1956 subject to such other consents, approvals and permission if needed, Mr. Sanjeev Jain be and is appointed as director (finance) in the board meeting held on July 29, 2012 with effect from July 1, 2012 for a period of three (3) years.

Remuneration Structure:

- Salary – basic – ₹ 156,150 p.m. with authority to Board, subject to the provisions of the Companies Act 2013.

- House rent Allowance – 50% of the basic
- Perquisite and other allowance
  Perquisite and other allowance shall be paid in addition to the Salary as per the policy of the Company but within the overall limit, if any, prescribed under the Companies Act 1956, as amended from time to time. The perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.
    a) Medical Reimbursement : Expenses incurred for the appointee and his family
    b) Group medi-claim & personal accident insurance: Applicable as per rules of the Company
    c) Club fee: Fee for membership in one club. This will not life membership fee
    d) Employer's contribution to Provident Fund/ superannuation fund: As per the rules of the Company.
    e) Gratuity: Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules
    f) Variable Pay: As per the Company's policy

Minimum Remuneration: The above remuneration shall be paid and allowed as minimum remuneration to Mr. Sanjeev Kumar Jain during the currency of tenure of hid office as Director-Finance, notwithstanding the absence or inadequacy of profits in any accounting year

Compensation of the Directors

Executive Directors

The following table sets forth the total remuneration paid (including salary, provident fund, rent free accommodation/perks) by the Company to the executive directors for the current Fiscal Year 2015 (to the extent applicable) and for the Fiscal Years 2014, 2013 and 2012:

(₹ in million)

Financial Year	Remuneration paid to Mr. Mahendra Agarwal	Remuneration paid to Mr. Himmat Singh Lagad*	Remuneration paid to Mr. Sanjeev Jain**
2015 (To the extent applicable)***	NIL	NIL	5.91
2014	NIL	NIL	5.73
2013	NIL	NIL	6.08
2012	21.24	2.85	-

**Resigned with effect from August 15, 2011*
*** Appointed with effect from July 01, 2012*
****From April 01, 2014 until December 31, 2014*

Non-Executive Directors

Pursuant to resolution dated August 5, 2014 , passed by the shareholders of the Company, the Non-Executive Directors of the Company are entitled to commission not exceeding 1% of the net profit of the Company. The following table sets forth the sitting fees and commission paid by us to the present non-executive Directors of the Company for the current Fiscal Year 2015 (to the extent applicable) and for the Fiscal Years 2014, 2013 and 2012

The following tables set forth all compensation (including sitting fees, commission and stock options) paid by our Company to the Directors during the current Fiscal 2015 (to the extent applicable):

Fiscal 2015 (to the extent applicable)

(₹ in million, except otherwise mentioned)

Name of the Director	Sitting Fees	Commission	Stock Options# (Number)	Total
Mr. K L Chugh	0.23	Nil	52,500	0.23
Mr. N. Srinivasan	0.30	Nil	52,500	0.30
Dr. P.S. Reddy	0.21	Nil	52,500	0.21
Mr. Sunil Kumar Alagh	0.25	Nil	52,500	0.25
Mr. P N Shukla	0.30	Nil	14,000	0.30
Ms. Sheela Bhide*	0.10	Nil	Nil	0.10

**Appointed with effect from August 06, 2014*

LVV Iyer & Associates, Corporate Lawyers, through their letter dated August 9, 2014, opined that the grant of stock options under the Gati ESOP 2003, Gati ESOP 2006 and Gati ESOP 2007 and the subsequent exercise of such options, by the independent directors appointed in pursuance of the Listing Agreement, is valid in law, even after the Companies Act, 2013 has come into force.*

The following tables set forth all compensation paid by our Company to the Non-Executive Directors for the Financial Years 2014, 2013 and 2012:

Fiscal 2014

(₹ in million, except otherwise mentioned)

Name of the Director	Sitting Fees	Commission	Stock Options* (Number)	Total
Mr. K L Chugh	0.1	0.3	75,000	0.48
Mr. Ram S Tarneja**	0.15	Nil	-	0.15
Mr. N. Srinivasan	0.14	0.2	75,000	0.42
Dr. P.S. Reddy	0.09	0.15	75,000	0.32
Mr. Sunil Kumar Alagh	0.05	0.15	75,000	0.20
Mr. APVN Sharma ***	0.70	Nil	20,000	0.72
Mr. P N Shukla	0.14	0.15	20,000	0.31
Mr. Yoshinobu Mitsuhashi	Nil	0.15	NIL	0.15

*Stock options granted, accepted and outstanding as on March 31, 2014
** Resigned w.e.f. February 28, 2014
*** Resigned w. e. f. May 6, 2014

Fiscal 2013

(₹ in million, except otherwise mentioned)

Name of the Director	Sitting Fees	Commission	Stock Options (Number)	Total
Mr. K L Chugh	0.16	0.22	92,500	0.38
Mr. Ram S Tarneja	0.22	0.12	85,500	0.34
Mr. N. Srinivasan	0.18	0.17	89,000	0.35
Mr. T. S. Rao**	0.05	-	-	0.05
Dr. P.S. Reddy	0.10	0.12	85,500	0.22
Mr. Sunil Kumar Alagh	0.14	0.12	85,500	0.26
Mr. APVN Sharma	0.09	0.12	20,000	0.21
Mr. P N Shukla	0.06	0.06	20,000	0.12
Mr. Yoshinobu Mitsuhashi	-	0.12	NIL	0.12

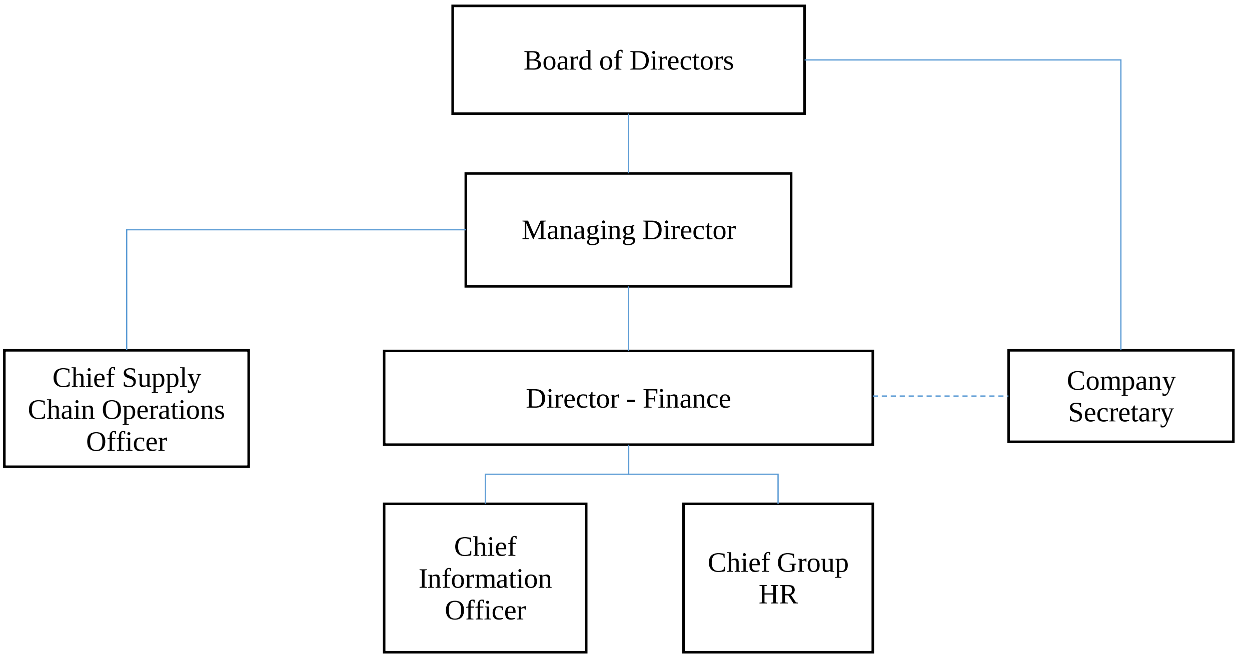
* Stock options granted, accepted and outstanding as on June 30, 2013
** Resigned w.e.f. October 19, 2012

Fiscal 2012

(₹ in million, except otherwise mentioned)

Name of the Director	Sitting Fees	Commission	Stock Options (Number)	Total
Mr. K L Chugh	0.21	Nil	67,500	0.21
Mr. Ram S Tarneja	0.26	Nil	60,500	0.26
Mr. N. Srinivasan	0.18	Nil	84,000	0.18
Mr. T. S. Rao	0.31	Nil	60,500	0.31
Dr. P.S. Reddy	0.14	Nil	60,500	0.14
Mr. Sunil Kumar Alagh	0.21	Nil	70,500	0.21
Mr. APVN Sharma	0.16	Nil	20,000	0.16

Organization Chart



Key Employees

Mr. VSN Raju is the Company Secretary and Chief Compliance Officer of our Company since September 2009. He has an overall experience of 20 years in compliance roles in financial services and information technology sectors. He is an associate member of ICSI. Prior to joining Gati, he was with Tech Mahindra Limited.

Mr. Subramanian is the Chief Group HR of our Company. He has over 19 years of experience in the Corporate Sector. He started his career with Cipla Limited and thereafter has served with organizations like, G.E, Philips, Infosys and Vodafone. Worked closely with the business to help integrate HR processes to achieve organization goals. He is also Six sigma trained and a Certified Trainer through GE Corporate. He has won numerous awards and recognition during his professional career. Some of them are Achievement Award for Professional Excellence from GE, USA and Accomplishment Award from GE Financial Assurance at San Rafael, California to name a few. Under his leadership, Gati won RASBIC award for "Most Innovative Recruitment Supply Program" in the World HRD congress.

Mr. Bablu Tewari is Chief Supply Chain Operations Officer of the Company. In this role, he provides leadership and oversight for Gati's Operations Team. He is instrumental in devising our operational strategy and plan and leads our operations' team in meticulously implementing it. He has over 20 years of experience in express distribution and supply chain business and has proved his skills in Business Operations, Sales, Customer Relationship Management and Administration. He has been instrumental in positioning our Company as a leading player in express distribution for surface, air and rail. Mr. Tewari holds a bachelor's degree in Commerce from Calcutta University and is trained in Customer Relationship Management from the IIM, Lucknow.

Mr. G.S. Ravi Kumar has over 25 years experience in the field of Information Technology and has previously been associated with the service & manufacturing industries in various organizations in senior roles. Prior to joining Gati Limited he worked as General Manager – Information Technology, heading the Indian IT operation for SHV Energy India Limited. He has been associated with our Company in the capacity of Chief Information Officer for over 14 years and has played a major role in transforming the entire IT system of Gati. He was involved in developing a Software Product called "Gati Enterprise Management System" – GEMS a custom developed ERP for the express cargo industry and also an unique and innovative mobile based solution

Shareholding details of the key managerial personnel

The key managerial personnel of our Company hold 4.34 % Equity Shares as on the date of this Preliminary Placement Document.

Name of the Key Managerial Personnel	Designation	Shareholding (% to equity)
Mr. Mahendra Agarwal	Managing Director & CEO	4.34
Mr. Sanjeev Kumar Jain*	Director-Finance	Nil
Mr. VSN Raju*	Company Secretary	Nil

** Mr.* Sanjeev Kumar Jain *holds 150,000 options, which if exercised will entitle him to purchase 150,000 Equity Shares of Gati. Mr. VSN Raju holds 70,000 options, which if exercised will entitle him to purchase 70,000 Equity Shares of Gati.*

Interest of key managerial personnel

The key managerial personnel of the Company do not have any other interest in the Company other than to the extent of the remuneration or benefits including stock options, to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them and/or their dependents in the Company, if any.

Corporate governance

The Board of Directors presently consists of nine Directors. In compliance with the requirements of the Listing Agreement, the Board of Directors consists of six Independent Directors including the chairman who is also a non-executive director. Our Company is in compliance with other corporate governance requirements under the Companies Act, 2013 in respect of notified guidelines /sections /rules as are applicable to us.

Committees of the Board of Directors

In line with the requirements of the provisions of the Companies Act, clause 49 of the Listing Agreement, our Board has constituted various committees as detailed below. Their constitution is for a more specific and focused approach towards some of the important functional areas of the Companies' operations, for providing proper direction, effective monitoring and controlling the affairs of our Company. The committees meet at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation. The Board also takes note of minutes of the meetings of the committees duly approved by their respective chairman and the material recommendations / decisions of the committees are placed before the Board for approval / information. The committees are as follows:

1. Audit Committee;
2. Nomination and Remuneration Committee (Compensation and HR Committee);
3. Stakeholders Relationship Committee (Investor's Grievance Committee);
4. Corporate Social Responsibility Committee

The following table sets forth the members of the aforesaid committees.

Name of Committee	Members
Audit Committee	Mr. N Srinivasan (Chairman), Mr. P. N Shukla and Dr. P.S. Reddy
Nomination and Remuneration Committee	Mr. K L Chugh Dr. P.S. Reddy (Chairman) and Mr. P.N. Shukla
Stakeholders Relationship Committee	Mr. Sunil Kumar Alagh (Chairman), Mr. Mahendra Agrawal
Corporate Social Responsibility Committee	Ms. Sheela Bhide (Chairperson), Mr. Sanjeev Kumar Jain, Dr. P S Reddy

Other confirmations

Except as otherwise stated in this Preliminary Placement Document, none of the Directors, or the Promoter, or any key managerial personnel of the Company have any financial or other material interest in this Issue.

Related Party Transactions

For details in relation to the related party transactions entered by the Company during the last three Fiscal Years, as per the requirements under Accounting Standard 18 issued by the Institute of Chartered Accountants in India, see the section "*Financial Statements*" on page 159 of this Preliminary Placement Document and annual report uploaded on our website.

PRINCIPAL SHAREHOLDERS

The following table sets forth the shareholding pattern as on March 31, 2015:

Sr. No	Category of Shareholder	No. of shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized form	Total shareholding as a % of total no. of Equity Shares		Equity shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a %
(A)	**Shareholding of promoter and promoter group**							
	(1) Indian							
	Individuals/Hindu Undivided Family	2	8,139,183	8,139,183	9.30	9.30	6,190,000	76.05
	Central/State Government(s)	-	-	-	-	-	-	-
	Bodies Corporate	4	14,551,481	14,551,481	16.63	16.63	7,710,127	52.99
	Financial Institutions/Banks	-	-	-	-	-	-	-
	Directors Relatives	-	-	-	-	-	-	-
	Group Companies	-	-	-	-	-	-	-
	Trusts	3	13,437,937	13,437,937	15.36	15.36	4,346,436	32.34
	Sub Total	**9**	**36,128,601**	**36,128,601**	**41.30**	**41.30**	**18,246,563**	**50.50**
	(2) Foreign							
	Individual	-	-	-	-		-	-
	Bodies Corporate	-	-	-	-	-	-	-
	Institutions	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-
	Sub-Total	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)	**9**	**36,128,601**	**36,128,601**	**41.30**	**41.30**	**18,246,563**	**50.50**
(B)	**Public Shareholding**							
	(1) Institutions							
	Mutual Funds/UTI	7	221,992	221,992	0.25	0.25	0	0.00
	Financial Institutions/Banks	15	2,20,863	167,118	0.25	0.25	0	0.00
	Central/State Government(s)	-	-	-	-	-	-	-
	Venture capital Funds	-	-	-	-	-	-	-
	Insurance Companies	-	-	-	-	-	-	-
	Foreign Institutional Investors	27	8,163,776	8,160,891	9.33	9.33	0	0.00
	Foreign Venture Capital Investors	-	-	-	-	-	-	-
	Qualified Foreign Investors	-	-	-	-	-	-	-
	Any Others							
	Sub Total	**49**	**8,606,631**	**8,550,001**	**9.84**	**9.84**	**0**	**0.00**
	(2) Non-Institutions							
	Bodies Corporate	1,032	5,277,108	5,246,058	6.03	6.03	0	0.00
	Individuals							
	Individual shareholders holding nominal share capital up to ₹ 1 lakh	59,254	16,309,099	14,982,221	18.64	18.64	0	0.00
	Individual shareholders holding	35	12,894,992	12,894,992	14.74	14.74	0	0.00

Sr. No	Category of Shareholder	No. of shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized form	Total shareholding as a % of total no. of Equity Shares		Equity shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a %
	nominal share capital in excess of ₹ 1 lakh							
	Qualified Foreign Investors	-	-	-	-	-	-	-
	Any Others (Specify)	**1,550**	**8,261,106**	**8,120,766**	**9.55**	**9.55**	**0**	**0.00**
	Non Resident Indians	1,314	3,404,262	3,263,922	3.89	3.89	0	0.00
	Trusts	3	10,600	10,600	0.01	0.01	0	0.00
	Overseas Bodies Corporate	-	-	-	-	-	-	-
	Unclaimed Suspense Account	-	-	-	-	-	-	-
	Clearing members	224	336,770	336,770	0.38	0.38	0	0.00
	Foreign national	1	360	360	0.00	0.00	0	0.00
	Directors and their Relatives and friends	5	1,80,000	1,80,000	0.21	0.21	0	0.00
	Foreign corporate body	1	4,329,114	4,329,114	4.95	4.95	0	0.00
	Sub Total	**61,869**	**42,742,305**	**41,244,037**	**48.86**	**48.86**	**0**	**0.00**
	Total Public Shareholding (B)	**61,918**	**51,348,936**	**49,794,038**	**58.70**	**58.70**	**0**	**0.00**
	Total (A) + (B)	**61,927**	**87,477,537**	**85,922,639**	**100.00**	**100.00**	**18,246,563**	**20.86**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	-	-	-	-
	(1) Promoter and Promoter Group	-	-	-	-	-	-	-
	(2) Public	-	-	-	-	-	-	-
	Sub Total	-	-	-	-	--	-	-
	Total (A)+(B)+(C)	**61,927**	**87,477,537**	**85,922,639**	**100.00**	**100.00**	**18,246,563**	**20.86**

The following table sets forth the shareholding of the Promoter and Promoter Group as at March 31, 2015:

Sr. No.	Name of Shareholder	No of Equity Shares held	Total Shareholding as a% of Total No. of Equity Shares
1.	TCI Finance Limited	8,133,205	9.30
2.	Neera and Children Trust	5,599,995	6.40
3.	Manish Agarwal Benefit Trust	4,068,642	4.65
4.	Dhruv Agarwal Benefit Trust	3,769,300	4.31
5.	Mahendra Investment Advisors Private Limited	3,735,991	4.27
6.	Mahendra Kumar Agarwal	3,799,188	4.34
7.	Mahendra Kumar Agarwal HUF	4,339,995	4.96
8.	Bunny Investments & Finance Private Limited	1,454,972	1.66
9.	Jubilee Commercial & Trading Private Limited	1,227,313	1.40
	Total	**36,128,601**	**41.30**

The following table sets forth the shareholding of persons belonging to the category "Public" and holding more than 1.00% of the total number of Equity Shares as at March 31, 2015:

Sr. No.	Name of Shareholders	No. of Equity Shares	Total Shareholding as a% of total No. of Equity Shares
1.	Macquarie Bank Limited	5,000,000	5.72
2.	Kintetsu World Express Incorporation	4,329,114	4.95
3.	Amal Niranjan Parikh	2,300,000	2.63
4.	Gopalkishan S Damani	3,579,541	4.09
5.	Ashish Kachola	1,500,000	1.71
6.	Goldman Sachs India Fund Limited	1,012,134	1.16
7.	Praveen K Manivannan	1,000,000	1.14
8.	Radhakishan S Damani	1,125,115	1.29
	Total	**19,845,904**	**22.69**

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to this Issue. The procedure followed in this Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from the Company or the Book Running Lead Managers. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and the BRLMs and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "Distribution and Solicitation Restrictions" and "Transfer Restrictions" on page 123 and 129, respectively of this Preliminary Placement Document.

Qualified Institutions Placement

The Issue is being made to QIBs in reliance of Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013, through the mechanism of a QIP. Under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company may issue equity shares to QIBs provided that certain conditions are met by it, including:

- the shareholders of the issuer having passed a special resolution approving such QIP. Such special resolution must specify (a) that the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date;
- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognized stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;
- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI Regulations) of the issuer as per the audited balance sheet of the previous financial year;
- the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;
- the issuer shall have completed allotments with respect to any offer or invitation made by the issuer and has not withdrawn or abandoned any invitation or offer previously made by the issuer;
- the issuer shall offer to each Allottee such number of the securities in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the securities;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made and is sent within 30 days of recording the names of such QIBs;
- Prior to circulating the private placement offer letter, the issuer must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;
- the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the issue is prohibited.

At least 10% of the Equity Shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

Prospective purchasers will be deemed to have represented to us and the Book Running Lead Managers in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an offshore transaction in accordance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For further details, please refer to the chapters titled "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on page 123 and 129, respectively of this Preliminary Placement Document.

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement for pricing equity shares, offered in a QIP under the SEBI Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of up to 5% of the Floor Price is permitted in accordance with the provisions of the SEBI Regulations.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board or committee of Directors duly authorized by the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the Relevant Date.

Our Company has applied for and received the in-principle approval of the Stock Exchanges under Clause 24 (a) of its Listing Agreements for the listing of the Equity Shares on the Stock Exchanges. Our Company has also delivered a copy of this Preliminary Placement Document to the Stock Exchanges and application for listing and trading for the Equity Shares shall be made after the Allotment of Equity Shares.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Issue has been authorized by (i) the Board pursuant to a resolution passed on January 24, 2015 and (ii) the shareholders resolution passed on March 20, 2015.

The Equity Shares will be Allotted within 12 months from the date of the shareholders' resolution approving the QIP and within 60 days from the date of receipt of subscription money from the successful Bidders. For details of refund of application money, see the section "*Issue Procedure – Pricing and Allocation – Designated Date and Allotment of Equity Shares*".

The Equity Shares issued pursuant to the QIP must be issued on the basis of this Preliminary Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of allottees for each QIP shall not be less than:

- Two, where the issue size is less than or equal to ₹ 2,500 million; and
- Five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the issue size or less than ₹ 20,000 of face value of Equity Shares. QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee. For details of what constitutes "same group" or "common control", see "*Application Process - Application Form*".

The aggregate of the proposed QIP and all previous QIPs made in the same financial year shall not exceed five times the Networth of the Issuer as per its audited balance sheet of the previous financial year. The Issuer shall furnish a copy of this Preliminary Placement Document to each stock exchange on which its equity shares are listed.

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on the floor of a recognized stock exchange in India. Allotments made to FVCIs, VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

THE EQUITY SHARES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR REGISTERED, LISTED OR OTHERWISE QUALIFIED IN ANY OTHER JURISDICTION OUTSIDE INDIA, AND UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT

AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER OF THE EQUITY SHARES, PLEASE SEE THE SECTION "*TRANSFER RESTRICTIONS*" ON PAGE 129.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED, LISTED OR OTHERWISE QUALIFIED IN ANY OTHER JURISDICTION OUTSIDE INDIA AND MAY NOT BE OFFERED OR SOLD, AND BIDS MAY NOT BE MADE BY PERSONS IN ANY SUCH JURISDICTION, EXCEPT IN COMPLIANCE WITH THE APPLICABLE LAWS OF SUCH JURISDICTION.

Issue Procedure

1. Our Company and the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to the QIBs and the Application Form will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act, 2013, our Company shall maintain complete records of the QIBs to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and SEBI within the time period as stipulated under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

2. The list of QIBs to whom the Application Form is delivered shall be determined by the BRLMs at their sole discretion.

3. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

4. QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the Book Running Lead Managers.

5. The Company shall intimate the Bid/Issue Opening Date to the Stock Exchanges.

6. Bidders shall submit Bids for, and the Company shall issue and Allot to each Allottee, at least such number of Equity Shares in this Issue which would aggregate to ₹ 20,000 calculated at the face value of the Equity Shares.

7. Bidders will be required to indicate the following in the Application Form:

   - full name of the QIB to whom Equity Shares are to be Allotted;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price"; which shall be any price as may be determined by our Company in consultation with the Book Running Lead Managers at a price equal to or above the Floor Price net of such discount as approved in terms of Regulation 85 of the SEBI Regulations;

   - details of the depository participant account to which the Equity Shares should be credited; and

   - a representation that it is outside the United States at the time it places its buy order for the Equity Shares, it is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S and it has agreed to certain other representations set forth in the sections "*Representations by Investors*" and "*Transfer Restrictions*" on page 4 and 129 respectively of this Preliminary Placement Document and certain other representations made in the Application Form;

   Note: Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids. FIIs or sub-accounts of FIIs are required to indicate SEBI FII/

sub-account registration number in the Application Form.

8. Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

9. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

10. Upon receipt of the Application Form, after the Bid/Issue Closing Date, our Company shall determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and the number of Equity Shares to be allocated and the applicants to whom the same would be allocated in consultation with the Book Running Lead Managers. Upon determination of the final terms of the Equity Shares, the Company will notify the Stock Exchanges and the Book Running Lead Managers will send the serially numbered CAN along with this Placement Document to the QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIB to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers and may not be proportionate to the number of Equity Shares applied for.

11. Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Company's Escrow account by the Pay-In Date as specified in the CAN sent to the respective QIBs. No payment shall be made by QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilized only for the purposes permitted under the Companies Act, 2013 i.e. the Escrow Account. See the section "Issue Procedure-Bank Account for Payment of Application Money".

12. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CANs sent to the QIBs. Our Company shall intimate to the Stock Exchanges.

13. The QIB confirms that it is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and it shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable se*curities laws of the states of* the United States and any other jurisdiction, including India. It also confirms all other applicable representations and warranties included under *"Representations by Investors",* "*Notice to Investors*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" beginning on pages 4, 2, 123 and 129 respectively.

14. After passing the Board or committee resolution (as the case maybe) for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the QIBs.

15. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

16. Our Company will then apply for the final trading approvals from the Stock Exchanges.

17. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

18. As per the applicable laws, the Stock Exchanges shall notify the final listing and trading approvals, which are ordinarily available on their websites and upon receipt of final trading and listing approval from the Stock Exchanges, our Company shall inform the Allotees of the receipt of such approval. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non- receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

The issue is being made only to QIBs. Only the following categories of QIBs are eligible to invest in this Issue:

- public financial institutions as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);
- scheduled commercial banks;
- Mutual Funds registered with SEBI;
- Alternate investment funds registered with SEBI
- Eligible FPIs, including FIIs, QFIs and eligible sub-accounts;
- Multilateral and bilateral development financial institutions
- insurance companies registered with Insurance Regulatory and Development Authority;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- Foreign venture capital investors registered with SEBI.

FIIs sub accounts (other than a sub-account which is a foreign corporate or a foreign individual) and Eligible FPIs investing through the portfolio investment scheme shall participate in this Issue under Schedule 2 and Schedule 2A of FEMA 20, respectively. FIIs and Eligible FPIs investing through the portfolio investment scheme are permitted to participate in this Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs and FIIs does not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in this Issue under Schedule 1 of the FEMA 20 and shall make the payment of application money through the foreign currency non-resident (FCNR) account and not through the special non-resident rupee (SNRR) account.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA 20, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII or sub account who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Restriction on Allotment

Under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being Promoter or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or persons related to the Promoter;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

A minimum of 10% of the Equity Shares offered in this Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Note: Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.

Bid/ Issue Programme

Bidding Period / Issue Period:	
BID/ISSUE OPENS ON	April 15, 2015
BID/ISSUE CLOSES ON	[●], 2015

Application Process

Application Form

QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on page 2, 4, 123 and 129, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI Regulations and is not excluded under Regulation 86 of the SEBI Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The QIB confirms that it is not a promoter and is not a person related to the Promoter, either directly or indirectly

and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter as defined in the SEBI Regulations;

4. The QIB acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;

5. The QIB confirms that if Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The QIB confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Regulations;

8. The QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (i) The expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act; and

    (ii) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

9. The QIBs shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

10. The QIB confirms that it is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and it shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India. It also confirms all other applicable representations and warranties included under "*Representations by Investors*" "*Notice to Investors*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on page 2, 4, 123 and 129 respectively of this Preliminary Placement Document.

QIBs MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PAN, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, EMAIL ID AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

If so required by the BRLMs, the QIB submitting a Bid along with the application form, will also have to submit requisite documents to the BRLMs to evidence their status as a QIB. If so required by the BRLMs, Escrow agent or any statutory or regulatory authority in this regard, includes after Issue closure, the QIB submitting a Bid and/or being Allotted Equity Shares in the Issue, will also have to submit requisite documents to fulfill the KYC norms.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by our Company in favour of the QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the QIB, the price and number of Equity Shares applied for. All Application Forms duly completed along with a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Managers as per the details provided in the respective CAN. The Application Forms may also be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at the following address:

Name of Book Running Lead Manager	Address	Contact person	Email	Telephone and fax
Motilal Oswal Investment Advisors Private Limited	Motilal Oswal Tower Rahimtullah Sayani Road Prabhadevi Mumbai 400025	Subodh Mallya	projectspeed@motilaloswal.com	Tel: +91 22 3980 4380 Fax: +91 22 3980 4315
Systematix Corporate Services Limited	The Capital, A Wing 603-606, 6th Floor Plot No. C-70 G Block, Bandra Kurla Complex Bandra East Mumbai 400051	Amit Kumar	investor@systematixgroup.in	Tel: +91-22-6704 8000 Fax: +91-22-6704 8022

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form.

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground. The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid Cum Application Form.

Pricing and Allocation

Buildup of the Book

The QIBs shall submit their Bids (including the revision of bids) through the Application Forms within the Bidding Period to the Book Running Lead Managers. Such Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. Our Company may offer a discount of not more than 5.00% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.

After finalization of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges, SEBI and RoC as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation, in consultation with the Book Running Lead Managers, on a discretionary basis and in compliance with Chapter VIII of the SEBI Regulations.

Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such QIBs. Additionally, a CAN will include details of the relevant Escrow Bank Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective QIB's account.

The QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Managers and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened the "***Gati Limited – QIP Escrow Account***" with the Axis Bank Limited in terms of the arrangement among our Company, the Book Running Lead Managers and Axis Bank Limited as Escrow Bank. The QIB to whom CAN is sent will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in, and in accordance with, the respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favoring the Escrow Account" within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

Our Company undertakes to utilize the amount deposited in the "***Gati Limited – QIP Escrow Account***" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, our Company and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion subject to the applicable laws.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the "***Gati Limited – QIP Escrow Account***" as stated above.

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN for the QIBs who have paid the aggregate subscription amounts as stipulated in the CAN.

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Post receipt of the listing approvals of the Stock Exchange, the Issuer shall credit the Equity Shares into the Depository Participant account of the QIBs.

Following the Allotment and credit of Equity Shares into the QIBs' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges.

The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to the Company after Allotment of Equity Shares to QIBs and commencement of listing and trading of Equity Shares to QIBs.

In the case of QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website. Our Company shall make requisite filings with the RoC and SEBI within stipulated period as required under the Companies Act, and Companies (Prospectus and Allotment of Securities Rules, 2014.

In the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the QIBs.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialized form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialized form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the QIBs.

Release of funds to the Company

The Escrow Bank shall not release the monies lying to the credit of the "Gati Limited – QIP Escrow Account" till such time, that it receives an instruction in pursuance to the Escrow Agreement, along with the listing approval of the Stock Exchanges for the Equity Shares offered in the Issue.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into a placement agreement with the Company (the "**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed to procure subscriptions for the Equity Shares on a reasonable efforts basis, pursuant to Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI Regulations.

This Placement Agreement contains customary representations, warranties and indemnities from the Company and the Book Running Lead Managers, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares issued pursuant to this Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

Relationship with the Book Running Lead Managers

In connection with the Issue, the Book Running Lead Managers, (or their affiliates) may, for their own accounts, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allocated Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes. See section "*Representations by Investors*" on page 4.

From time to time, the Book Running Lead Managers, and their affiliates and associates of such entity have may be engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for the Company, its Subsidiaries, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their affiliates and associates.

Lock-up

The Promoter and Promoter Group jointly and severally, agrees that, without the prior written consent of the Book Running Lead Managers, he or it will not, and will not announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date hereof and ending 90 days after the date of Allotment of the Equity Shares pursuant to the QIP (the "**Lock-up Period**"), directly or indirectly, issue, offer, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, lend or otherwise transfer or dispose of directly or indirectly, any Equity Shares, including but not limited to any options or warrants to purchase any Equity Shares, or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Equity Shares or enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depositary receipt facility. However, the foregoing restrictions shall not be applicable if any of the actions mentioned above are required to be undertaken pursuant to any employee stock option scheme or inter-se transfers between promoter group or any change in applicable law, or a direction of a court of law or the Reserve Bank of India post the date of execution of the Placement Agreement.

In addition, each the Promoter and Promoter Group, jointly and severally, agrees that, without the prior written consent of the BRLMs, he or it will not, during the Lock-up Period, make any demand for or exercise any right with respect to, the registration or sale or deposition of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Equity Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

The Company has undertaken that it will not during the period commencing on the date hereof and ending 90 days from the date of Allotment, without the prior written consent of the Book Running Lead Managers, directly or indirectly:

(a) offer, sell, issue, contract to issue, grant any option, right or warrant for the issuance and allotment, or otherwise dispose of or transfer, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position with respect to, any Equity Shares or securities convertible into or exchangeable or exercisable for Equity Shares (including any warrants or other rights to subscribe for any Equity Shares) or publicly announce an intention with respect to any of the foregoing,

(b) enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of any Equity Shares, whether any such aforementioned transaction is to be settled by allotment of any Equity Shares, in cash or otherwise or any securities convertible into or exercisable or exchangeable for Equity Shares, or

(c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility or

(d) publicly disclose the intention to make any such offer, issuance and allotment or disposition, or to enter into any such transaction falling within (a) to (c) above (including swap, hedge or other arrangement) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

DISTRIBUTION AND SOLICITATION RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorized or permitted.

GENERAL

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required.

Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI Regulations. Each purchaser of the Equity Shares in the Offer will be required to make, or be deemed to have made, as applicable, the acknowledgments and agreements as described under "***Transfer Restrictions***".

Australia

This Preliminary Placement Document is not a disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the "**Australian Corporations Act"**), has not been and will not be lodged with the Australian Securities and Investments Commission (the "**ASIC**") as a disclosure document for the purposes of the Australian Corporations Act and does not purport to include the information required of a disclosure document under the Australian Corporations Act. ASIC has not reviewed this Preliminary Placement Document or commented on the merits of investing in the Equity Shares, nor has any other Australian regulator.

No offer of the Equity Shares is being made in Australia, and the distribution or receipt of this Preliminary Placement Document in Australia does not constitute an offer of securities capable of acceptance by any person in Australia, except in the limited circumstances described below relying on certain exemptions in the Corporations Act. Accordingly,

(i) the offer of the Equity Shares in Australia under this Preliminary Placement Document may only be made to those select persons who are able to demonstrate that they are "Wholesale Clients" for the purposes of Chapter 7 of the Australian Corporations Act and fall within one or more of the following categories: "Sophisticated Investors" that meet the criteria set out in Section 708(8) of the Australian Corporations Act, "Professional Investors" who meet the criteria set out in Section 708(11) and as defined in Section 9 of the Australian Corporations Act, experienced investors who receive the offer through an Australian financial services licensee where all of the criteria set out in section 708(10) of the Australian Corporations Act have been satisfied or senior managers of the Company (or a related body, including a subsidiary), their spouse, parent, child, brother or sister, or a body corporate controlled by any of those persons, as referred to in section 708(12) of the Australian Corporations Act; and

(ii) this Preliminary Placement Document may only be made available in Australia to those persons who are able to demonstrate that they are within one of the categories of persons as set forth in clause (i) above.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Preliminary Placement Document, advertisement or other offering material relating to any of the Equity Shares may be distributed in Australia except where disclosure to investors is not required under Chapter 6D or Chapter 7 of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. As any offer of the Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under the Australian Corporations Act, the offer of those Equity Shares for resale in Australia within 12 months may, under sections 707 or 1012C of the Australian Corporations Act, require disclosure to investors under the Australian Corporations Act if none of the exemptions in the Australian Corporations Act apply to that resale.

Accordingly, any person who acquires the Equity Shares pursuant to this Preliminary Placement Document should not, within 12 months of acquisition of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Australian Corporations Act or unless a complaint disclosure document is prepared and lodged with the Australian Securities and Investments Commission. Any person who accepts an offer of the Equity Shares under this Preliminary Placement Document must represent that, if they are in Australia, they are such a person as set forth in clause (i) above and acknowledge the restrictions on the on-sale of the Equity Shares set out above.

The provisions that define the exempt categories of person as set forth in clause (i) above are complex, and, if you are in any doubt as to whether you fall within one of these categories, you should seek appropriate professional advice regarding those provisions. This Preliminary Placement Document is intended to provide general information only and has been prepared without taking into account any particular person's objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Investors should review and consider the contents of this Preliminary Placement Document and obtain financial advice specific to their situation before making any decision to make an application for the Equity Shares.

Cayman Islands

No offer or invitation to purchase Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an exempt offer (an "**Exempt Offer**") in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"). This Preliminary Placement Document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser. For the avoidance of doubt, the Equity Shares are not interests in a "fund" or a "collective investment scheme" within the meaning of either the Collective Investment Law (DIFC Law No. 2 of 2010) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

European Economic Area

This Preliminary Placement Document has been prepared on the basis that this Issue will be made pursuant to an exemption under the Prospectus Directive as implemented in member states of the European Economic Area ("EEA") from the requirement to produce and publish a prospectus which is compliant with the Prospectus Directive, as so implemented, for offers of the Equity Shares. Accordingly, any person making or intending to make any offer within the EEA or any of its member states (each, a "Relevant **Member State")** of the Equity Shares which are the subject of the Allotment referred to in this Preliminary Placement Document must only do so in circumstances in which no obligation arises for the Company or any of the BRLMs to produce and publish a prospectus which is compliant with the Prospectus Directive, including Article 3 thereof, as so implemented for such offer. For EEA jurisdictions that have not implemented the Prospectus Directive, all offers of the Equity Shares must be in compliance with the laws of such jurisdictions. None of the Company or the BRLMs have authorized, nor do they authorize, the making of any offer of the Equity Shares through any financial intermediary, other than offers made by the BRLMs, which constitute a final Allotment of the Equity Shares.

In relation to each Relevant Member State, each Book Running Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date"**), it has not made and will not make an offer of the Equity Shares which are the subject of the Offer contemplated by this Preliminary Placement Document to the public in that Relevant Member State other than:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the BRLMs nominated by the Company for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Company or the BRLMs of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each subscriber for, or purchaser of, the Equity Shares in the Offer located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive. The Company, each Book Running Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgment and agreement.

Hong Kong

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to the Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan

The offering of the Equity Shares has not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "**Financial Instruments and Exchange Law**"). No Equity Shares have been offered or sold, and will not be offered or sold, directly or in directly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for reoffering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and otherwise in compliance with the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial ordinances of Japan.

Korea

The Equity Shares have not been registered under the Korean Securities and Exchange Law, and the Equity Shares acquired in connection with the distribution contemplated hereby may not be offered or sold, directly or indirectly, in Korea or to or for the account of any resident thereof, except as otherwise permitted by applicable Korean laws and regulations, including, without limitation, the Korean Securities and Exchange Law and the Foreign Exchange Transaction Laws.

Kuwait

The Equity Shares have not been authorized or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Preliminary Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No approval of the Securities Commission of Malaysia has been or will be obtained in connection with the offer and sale of the Equity Shares in Malaysia nor will any prospectus or other offering material or document in connection with the offer and sale of the Equity Shares be registered with the Securities Commission of Malaysia. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia.

Mauritius

Our shares may not be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius securities law. No offer or distribution of securities will be made to the public in Mauritius.

New Zealand

This Preliminary Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Preliminary Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Preliminary Placement Document, each investor represents and warrants that if they receive this Preliminary Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Preliminary Placement Document to any person who is not also a Habitual Investor.

Oman

By receiving the Preliminary Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that the Preliminary Placement Document has not been approved by the Capital Market Authority of Oman (the "CMA":) or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor has the Book Running Lead Manager or any placement agent acting on its behalf received authorization, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute interests in the Equity Shares within Oman.

No marketing, offering, selling or distribution of any interests in the Equity Shares has been or will be made from within Oman and no subscription for any interests in the Equity Shares may or will be consummated within Oman. Neither the Book Running Lead Manager nor any placement agent acting on its behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the Book Running Lead Manager nor any placement agent acting on its behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

Nothing contained in the Preliminary Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. The Preliminary Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

People's Republic of China

This Preliminary Placement Document, may not be circulated or distributed in the People‘s Republic of China and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People‘s Republic of China, or offered or sold to any person for reoffering or resale directly or indirectly to any resident of the People‘s Republic of China except pursuant to applicable laws and regulations of the People‘s Republic of China. The BRLM has represented and agreed that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Equity Shares in the People‘s Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the Issue. We do not represent that this Preliminary Placement Document may be lawfully distributed, or that any Equity Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the People‘s Republic of China, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any Equity Shares or distribution of this document in the People‘s Republic of China. Accordingly, the Equity Shares are not being offered or sold within the People‘s Republic of China by means of this Preliminary Placement Document or any other document. Neither this Preliminary Placement Document nor any advertisement or other offering material may be distributed or published in the People‘s Republic of China, except under circumstances that will result in compliance with any applicable laws and regulations.

Qatar

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the state of Qatar in a manner that would constitute a public offering. This Preliminary Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Preliminary Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than recipient thereof.

Singapore

The BRLM has acknowledged that this Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the BRLM has represented and agreed that it has not offered or sold any Equity Shares issued pursuant to the Issue or caused such Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Equity Shares issued pursuant to the Issue or cause such Equity Shares to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will they circulate or distribute, this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Equity Shares issued pursuant to the Issue, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 by a relevant person which is:

- a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation to the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except:

- to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- where no consideration is or will be given for the transfer;

- where the transfer is by operation of law; or

- as specified in Section 276(7) of the SFA.

Switzerland

This Preliminary Placement Document does not constitute an issue prospectus pursuant to Art. 652a of the Swiss Code of Obligations. The Equity Shares will not be listed on the SWX Swiss Exchange, and therefore, this Preliminary Placement Document does not comply with the disclosure standards of the Listing Rules of the SWX Swiss Exchange. Accordingly, the Equity Shares may not be offered to the public in or from Switzerland, but only to a selected and limited group of investors, which do not subscribe the Shares with a view to distribution to the public. The investors will be individually approached by the BRLM. This Preliminary Placement Document is personal to each offeree and does not constitute an offer to any other person. This Preliminary Placement Document may only be used by those persons to whom it has been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of our Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

United Arab Emirates

This Preliminary Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "**UAE**"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. the Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

By receiving this Preliminary Placement Document, the person or entity to whom this Preliminary Placement Document has been issued understands, acknowledges and agrees that the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this Preliminary Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom

The Book Running Lead Managers has represented and agreed that it:

i. is a person who is a qualified investor within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 (the "**FSMA**"), being an investor whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;

ii. has not offered or sold and will not offer or sell the Equity Shares other than to persons who are qualified investors within the meaning of Section 86(7) of the FSMA or who it reasonably expects will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Equity Shares would otherwise constitute a contravention of Section 19 of the FSMA by us;

iii. has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to it; and

iv. has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States of America

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S**.** Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under section "***Transfer Restrictions***" of the Preliminary Placement Document.

TRANSFER RESTRICTIONS

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except through the Stock Exchanges. In addition to the above, allotments made to QIBs, including VCFs and AIFs in this Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. Accordingly, purchasers are advised to consult their own legal counsel prior to making any offer, re-sale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the Stock Exchanges.

Investors are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Company's Equity Shares. Subject to the foregoing, by accepting this Preliminary Placement Document and purchasing any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed with the Company and the Book Running Lead Managers as follows:

- you have received a copy of the Preliminary Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning the Company or the Equity Shares and neither the Company nor any other person responsible for this Preliminary Placement Document or any part of it or the Book Running Lead Managers will have any liability for any such other information or representation;

- you are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you agree that you will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transactions complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;

- you are authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the Securities Act;

- you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S); and

- the Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this Preliminary Placement Document, each of which is given to (a) the Book Running Lead Managers on their own behalf and on behalf of the Company, and (b) to the Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify the Company.

Any resale or other transfer or attempted resale or other transfer, made other than in compliance with the above stated restrictions will not be recognized by the Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by the Company or the Book Running Lead Managers or its affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

Stock Exchange Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA, the SCRR, the SEBI Act, the Depositories Act, the Companies Act and various rules and regulations framed thereunder.

On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Rules, which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalization requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to promote, develop and regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, to protect the interests of investors, promote and monitor self-regulatory organizations and prohibit fraudulent and unfair trade practices and insider trading and to regulate substantial acquisitions of shares and takeovers of companies. SEBI has also issued regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants.

Listing of Securities

The listing of securities on a recognized Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI and the listing agreements of the respective stock exchanges. The SCRA empowers the governing body of each recognized stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non- compliance with any conditions or breach of company's obligations under such listing agreement or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such equity listing agreements and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of Securities

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies are required to maintain a minimum public shareholding of 25% and were given a period of three years to comply with such requirement. In this regard, SEBI has amended the listing agreement and has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index- based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, the BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognized as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. The NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The NSE and the BSE are closed on public holidays. The recognized stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalize insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The SEBI Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company.

On January 15, 2015 SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations 2015"). The SEBI (Prohibition of Insider Trading) Regulations, 1992 have been repealed. Under the Insider Trading Regulations 2015, the definition of insider has been expanded to mean a connected person or any person in possession of or having access to unpublished price sensitive information. A connected person means any person who is or has during the six months prior to the concerned act been associated with the company, directly or indirectly, in a contractual, fiduciary or employment relationship and has direct or indirect access to unpublished price-sensitive information. The Insider Trading Regulations 2015 also provide disclosure obligations on insider and company for trading or holding more than a predefined value. The Insider Trading Regulations 2015 shall come into force on the 120th day from the date of its publication in the Official Gazette.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organization under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of some of the provisions of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

Our authorized share capital is ₹ 300 million consisting of 125,000,000 Equity Shares of ₹ 2 each and 500,000 Redeemable Preference Shares of ₹ 100 each. As of the date of this Preliminary Placement Document, the outstanding paid-up equity share capital of the Company is ₹ 174.96 million.

Articles of Association

The Company is governed by its Articles of Association.

Division of shares

The Companies Act provides that a company may subdivide its share capital if so authorised by its articles of association, by an ordinary resolution passed in its general meeting.

The Articles of Association allow our Company to consolidate and/or divide all, but not part, of its issued shares or cancel any issued shares.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, and rules made thereunder, no dividend can be declared or paid by a company for any fiscal year except (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or (b) out of the profits of the company for any previous fiscal year(s) arrived at in accordance with the Companies Act 2013 and remaining undistributed or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

According to the Articles of Association, the Board may before recommending dividend set apart out of the profits of the Company such sums as it thinks prudent as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied including provision for meeting contingencies or for equalizing dividends and pending such application, at the discretion of the Company either be employed in the business of the Company or be invested in such investments including securities issued by companies or banks (other than the shares of the Company) as the Board may from time to time, think fit.

The Equity Shares issued pursuant to the Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by the Company.

Capitalization of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus equity shares, which are similar to stock dividend. These bonus equity shares must be distributed to shareholders in proportion to the number of equity shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI Regulations.

As per the Articles of Association, the Board may at the meeting of the Board resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any money forming part of the undivided profits (including profits or surplus monies arising from the realization of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalized.

Pre-Emptive Rights and Alteration of Capital

Subject to the provisions of the Companies Act, the Company may increase its share capital by issuing new shares on such terms and with such rights as it may determine. According to Section 62 of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders of the Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person subject to the provisions of FEMA, if applicable.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash of for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to condition prescribed under the Companies (Share Capital and Debentures) Rules, 2014, if a special resolution to that effect is passed by the Company's shareholders in a general meeting.

The Articles of Association authorizes the Company to issue and allot shares at par or at a premium subject to and in accordance with provisions of the Companies Act.

General Meetings of shareholders

There are two types of general meetings of the shareholders, AGM and EGM.

The Company must hold its AGM in each fiscal year provided that not more than 15 months shall elapse between each AGM, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of the Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95 % of the shareholders entitled to vote. In accordance with the Articles of Association of the Company, 5(five) members must be personally present for quorum of any general meeting. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to the Company's total paid up capital. Voting is by a show of hands, unless a poll is ordered by the Chairman of the meeting or voting is carried out electronically. The Chairman of the meeting has a casting vote.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with the Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have the right to speak at meetings.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. We have entered into an agreement for such depository services with the National Securities Depository Limited and the Central Depository Services India Limited. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the Listing Agreement, in the event we have not effected the transfer of shares within fifteen days or where we have failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of fifteen days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws. If the Company refuses to register the transfer of any share or transmission of any right therein, notice of such refusal must be sent to the transferee within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company.

Buy-back

Our Company may buy back its own shares or other specified securities subject to the provisions of the Companies Act and any related guidelines issued in connection therewith.

Liquidation Rights

In the event that our Company is wound up, and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members is more than sufficient to repay the whole of the paid up capital at the commencement of the winding up the excess shall be distributed amongst the shareholders but this shall be without prejudice to the rights of shareholder registered in respect of shares issued upon special terms and conditions.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The Board of Directors
Gati Limited
Plot No.20, Survey No.12,
Kothaguda, Kondapur,
Hyderabad - 500084

Dear Sirs,

Re: Proposed issuance of securities pursuant to Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, by Gati Limited, ("**Company**")

Sub: Statement of possible tax benefits available to the Company and its potential shareholders i.e. Qualified Institutional Buyers ("**QIBs**")

Accurate and complete summary: We hereby confirm that the enclosed tax benefits statement, (**Annexure A** hereto), completely and accurately summarizes the possible tax benefits available to the Company and QIBs by virtue of currently applicable statutory and/or regulatory provisions, including, inter alia, applicable provisions of the Income-tax Act, 1961, the Wealth Tax Act, 1957, and, the Gift Tax Act, 1958, as amended. Amendments to the Income Tax Act, 1961 and Wealth Tax Act, 1957 as proposed in the Finance Bill, 2015 has not been considered in this statement as those are pending before Parliament.

Statutory conditions: Several of the said possible tax benefits are dependent on the Company and the QIB fulfilling certain conditions as prescribed under relevant statutory and/or regulatory provisions. Hence, the ability of the Company and QIB to avail of the said tax benefit/s is dependent upon fulfilling such conditions, which the Company may or may not, at its sole discretion, choose to fulfil from time to time.

Independent tax advice: The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each QIB is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the subject issue.

We do not express any opinion or provide any assurance as to whether the Company or any QIB will currently or in the future be able to avail of any or all of the said tax benefits.

The contents of the enclosed tax benefits statement are based on information, explanations and representations as obtained from the Company, and, on the basis of our understanding of the business activities and operations of the Company.

Yours faithfully,

For **R.S. Agarwala & Co.**
Chartered Accountants
Registration No.: 304045E

(R.S. Agarwala)
Partner
Membership No.: 005534

Date: March 26, 2015
Place: Hyderbad

Annexure A:

TAXATION

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The following is based on the provisions of the Income-tax Act, 1961 ("the Act") as of the date hereof. The Act is amended every fiscal year.

1. Levy of Income Tax

Tax implications under the Act are dependent on the residential status of the tax payer. We summarize herein below the provisions relevant for determination of residential status of a tax payer.

1.1. Residential status of an Individual

As per the provisions of the Act, an individual is considered to be a resident in India during any FY if he or she is present in India for:

a) a period or periods aggregating to 182 days or more in that FY; or

b) a period or periods aggregating to 60 days or more in that FY and for a period or periods aggregating to 365 days or more within the four preceding years; or

In the case of a citizen of India or a person of Indian origin living outside India who comes on a visit to India in any previous year, the limit of 60 days under point (b) above, shall be read as 182 days.

In the case of a citizen of India who leaves India as member of the crew of an Indian ship or for the purposes of employment outside India in any previous year, the limit of 60 days under point (b) above, shall be read as 182 days.

Subject to complying with certain prescribed conditions, individuals may be regarded as 'Resident but not ordinarily resident'.

1.2. Residential status of a company

A company is resident in India if it is formed and incorporated under the Companies Act, 1956 or the control and management of its affairs is situated wholly in India.

1.3. Residential status of a Hindu undivided family ('HUF') firm or AOP

A HUF, firm or other association of persons or every other person is resident in India except when the control and management of its affairs is situated wholly outside India. A person who is not a resident in India would be regarded as 'Non-Resident'.

1.4. Residential status of every other person

Every other person is resident in India in a FY in every case except when the control and management of his affairs is situated wholly outside India.

1.5. Scope of taxation

In general, a person who is "resident" in India in a FY is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India is subject to tax in India. In the instant case, the income from the equity shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all categories of tax payers irrespective of their residential status unless specifically exempt (e.g. Dividend). However, a relief may be available under applicable Double Taxation Avoidance Agreement ('DTAA') to certain non-residents/ investors.

Tax Considerations

As per the taxation laws in force, the tax benefits / consequences as applicable, to the Company and the perspective shareholders are stated as under. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions:

2. Benefits available to the Company - Under the Act

2.1 **Special Tax Benefits**

There are certain special tax holiday benefits available under the provisions of the Act. At present, there are no special tax holiday benefits available to the Company, since it does not satisfy the conditions prescribed therein.

2.2 **General Tax Benefits**

2.2.1 As per section 10(15) of the Act, any interest received by the Company from any public sector company in respect of bonds or debentures is exempt from tax. The exemption is subject to such conditions including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may specify in this behalf by notification in the Official Gazette.

2.2.2 As per Section 10(34) of the Act, any income received by the Company by way of dividends on which Dividend Distribution Tax ('DDT') has been paid shall not form part of the total income of the Company and accordingly would be exempt from tax in its hands.

Under Section 14A of the Act, no deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax including dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 ('the Rules').

However, the Company would be liable to pay DDT at 15% (plus applicable surcharge and education cess and secondary & higher education cess) on the grossed up amount declared, distributed or paid as dividends. The grossing up may be explained by way of the following example:

Where the amount of dividend paid or distributed by a company is ₹ 85, then DDT under the amended provision would be calculated as follows:
Dividend amount distributed = ₹ 85
Increase by ₹ 15 [i.e. (85*0.15)/(1-0.15)]
Increased amount = ₹ 100
DDT @ 15% of ₹ 100 = ₹ 15
Tax payable u/s 115-O is ₹ 15
Dividend distributed to shareholders = ₹ 85

In calculating the amount of dividend on which DDT is payable, dividends (if any, received by the Company during the tax year and subject to fulfilment of the conditions), shall be reduced by:

- dividends received by the domestic company from a subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company); and
- where such subsidiary is a domestic company, it has paid tax payable under section 115-O (DDT) or where such subsidiary is a foreign company, the tax is payable under section 115BBD by the domestic company.

As per the proviso to this section, the same amount of dividend would not be taken into account for reduction more than once

2.2.3 As per Section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

i) Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or

ii) Income received in respect of the units from the Administrator of the Specified undertaking; or

iii) Income received in respect of units from the specified company.

However, as per the proviso to section 10(35), the above provisions are not applicable to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund

2.3 **Deductions under "Income from House Property"**

2.3.1 Under Section 24(a) of the Act, the Company is eligible for a standard deduction of 30% of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out), where the Company has income chargeable to tax under the head 'Income from House Property'.

2.3.2 Further, under Section 24(b) of the Act, where the house property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such borrowed capital shall be allowed as a deduction in computing the income, if any, from such house property.

In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or construction.

2.4 **Computation of capital gains**

2.4.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer.

A security (other than a unit) listed in a recognized stock exchange in India or units of Unit Trust of India or units of an equity oriented fund or zero coupon bonds are considered as long-term capital assets if they are held for a period more than 12 months immediately preceding date of their transfer. Consequently, capital gains arising on sale of these assets are considered as 'long-term capital gains'.

Capital gains arising on sale of these assets held for a period of 12 months or less are considered as 'short-term capital gains'.

2.4.2 As per Section 10(38) of the Act, capital gains arising from transfer of a long-term capital asset being an equity share in the Company or a unit of an equity oriented fund or a unit of business trust, where the transaction of sale is chargeable to Securities Transaction Tax ('STT'), shall be exempt from tax in the hands of the Company.

For this purpose 'Equity oriented fund' means a fund –

i) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and

ii) Which has been set up under a scheme of a Mutual fund specified under Section 10(23D).

However, the long-term capital gains arising on sale of share or units referred above shall not be reduced while calculating the book profit under the provisions of Section 115JB of the Act. In other words, such book profit shall include the long-term capital gain as referred to in Section 10(38) of the Act and the Company will be required to pay MAT @ 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on such book profit.

2.4.3 Section 48 of the Act, (which prescribes the mode of computation of capital gains) provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains.

However, in respect of long-term capital gains (as defined in para 2.4.1 above), a deduction of indexed cost of acquisition/improvement is available.

Indexed cost of acquisition means the means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer or for the year beginning on April 1, 1981, whichever is later. In other words indexed cost of acquisition is computed as under:

Cost of acquisition X CII of the FY in which the asset is transferred/ CII of the FY in which the asset was first held by the tax payer or for the year beginning on April 1, 1981 whichever is later.

2.4.4 As per the provisions of Section 112 of the Act, long-term capital gains (as defined in para 2.4.1 above) [to the extent not exempt under Section 10(38) of the Act] would be subject to tax in the hands of the Company at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities or units [to the extent not exempt under Section 10(38) of the Act], calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

2.4.5 As per the provisions of Section 111A of the Act, short-term capital gains (as defined in para 2.4.1 above) on sale of equity shares or units of an equity oriented fund or a unit of business trust where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares, other than those covered by Section 111A of the Act, would be subject to tax at the rate as applicable to the Company i.e. 30% (plus applicable surcharge, education cess and secondary & higher education cess).

2.4.6 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising to the Company would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; or

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during the FY in which asset is transferred and in subsequent FY cannot exceed ₹ 5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

<u>Set off and carry forward of capital loss</u>

2.4.7 Under section 70(2) of the Act, the Company can set off short term capital loss against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the Company can set off long term capital loss against other long term capital gain.

2.4.8 Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term capital loss can be carried forward and set off only against long term capital gains in subsequent years (up to 8 years). However, as per Section 80 of the Act, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

Computation of business income

2.5 **Depreciation allowance**

2.5.1 Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of the following assets:

- Tangible assets being building, machinery, plant or furniture;
- Intangible assets being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after April 1, 1998

2.6 **Carry forward of unabsorbed depreciation, unabsorbed business losses**

2.6.1 Under Section 32(2) of the Act, the Company can carry forward and set off unabsorbed depreciation of one FY and adjusted against income of subsequent years.

2.6.2 Under Section 72 of the Act, unabsorbed business loss, if any can be carried forward and set off against business profits of subsequent years (up to 8 years) subject to prescribed conditions. However, as per Section 80 of the Act, the unabsorbed business loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

Potential tax benefits

2.7 **Deduction of expenditure on scientific research**

2.7.1 Under Section 35(1)(i) and Section 35(1)(iv) of the Act, the Company is eligible for deduction in respect of any revenue or capital expenditure (other than expenditure on the acquisition of any land) incurred on scientific research related to its business.

2.7.2 Under Section 35(1)(ii) of the Act, the Company can claim weighted deduction of one and three fourth times (175%) of any sum paid to an approved research association (which has as its object, the undertaking of scientific research) or to a university, college or other institution to be used for scientific research.

2.7.3 Under Section 35(1)(iia) of the Act any sum paid to a company registered in India (which has as its main object the conduct of scientific research and development) and is approved by the prescribed authority can be claimed as deduction to the extent of one and one fourth times(125%) of the amount so paid.

2.7.4 Under section 35(1)(iii) the Company is eligible for a deduction of one and one fourth times (125%) of the sum paid to a research association, university, college or other institution to be used for research in social science or statistical research. This weighted deduction is available to amounts paid to approved research association, university, college or institution.

2.7.5 The company is eligible for weighted deduction of 200% under Section 35(2AA)in respect of payments to a National Laboratory, university or Indian Institute of Technology in respect of approved programs of scientific research. The weighted deduction is available provided the sum is paid with specific direction that it is used for approved programs of scientific research.

2.8 **Deduction of expenditure on eligible projects or scheme**

As per the provisions of section 35AC of the Act, the Company is eligible for deduction of any expenditure incurred towards payment of any sum to a public sector company or local authority or an association or institution approved by the National Committee for carrying out any eligible project or scheme, subject to prescribed conditions.

2.9 **Amortization of certain expenditure**

2.9.1 Under Section 35D of the Act, a company is eligible for deduction in respect of specified preliminary expenditure incurred by it in connection with extension of its undertaking or in connection with setting up new unit for an amount equal to 1/5th of such expenditure over 5 successive AYs subject to conditions and limits specified in that Section.

2.9.2 Specified expenditure includes expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.

2.9.3 Under Section 35DDA of the Act, the company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that Section.

2.10 **Expenditure on skill development project**

As per section 35CCD, the Company would be entitled to a deduction of one and a half times of an amount of expenditure (not being expenditure in the nature of cost of any land or building) incurred on any skill development project notified by the Central Board of Direct Taxes ('CBDT') in accordance with the guidelines as may be prescribed.

2.11 **MAT credit**

Under Section 115JAA of the Act, tax credit is allowed in respect of MAT paid under Section 115JB of the Act for any AY commencing on April 1, 2006 and any subsequent AY.

The credit eligible for carry forward is the difference between MAT paid and the amount of tax payable computed as per the normal provisions of the Act.

The credit is available for set off only when tax becomes payable under the normal provisions of the Act. The brought forward tax credit can be utilized to the extent of difference between the tax payable under the normal provisions of the Act and tax payable under MAT for that year. Credit in respect of MAT paid is available for set-off up to 10 AYs immediately succeeding the AY for which the MAT credit initially arose.

2.12 **Deduction for donations**

The Company is entitled to a deduction under Section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that Section, subject to the fulfillment of conditions prescribed therein. Please note that no deduction shall be allowed under Section 80G of the Act for any sum exceeding ₹ 10,000 unless such sum is paid by any mode other than cash.

2.13 **Benefit of double taxation avoidance agreement (DTAA)**

Under the provisions of section 90 of the Act, the Company shall be eligible for claiming credit of taxes paid by it on incomes in the foreign countries with which the Government of India has entered into DTAA. The tax credit shall be available as per the provisions of relevant DTAA.

Section 91 of the Act provides for unilateral relief in respect of taxes paid on incomes in the foreign countries with which no DTAA exists. Under the provisions of said section, the Company shall be entitled to deduction from the income tax of sum calculated on such doubly taxed income at the Indian rate of tax or rate of tax in the foreign country whichever is lower.

3. Benefits available to resident shareholders under the Act

3.1. Dividend income

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

However, as per the provisions of section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the 'record date' and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. 'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend

As per the provisions of section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

3.2. Computation of capital gains

3.2.1. As per the provisions of section 2(42A) of the Act, securities(other than units) listed on a recognized stock exchange in India will be considered as short term capital asset if they are held for a period of 12 months of less immediately preceding date of their transfer. If the period of holding of shares is more than 12 months immediately preceding date of transfer, they will be treated as long term capital asset.

The capital gain/loss on sale of short term capital assets is regarded as short term capital loss. The capital gain/loss on sale of long term capital assets is regarded as long term capital loss.

3.2.2. According to Section 10(38) of the Act, long-term capital gains on sale of equity shares or a unit of equity oriented fund or a unit of business trust, where the transaction of sale is chargeable to STT, shall be exempt from tax.

However, in case of a shareholder being a company, gains arising from transfer of above referred long-term capital asset shall be taken into account for computing the book profit for the purposes of computation of MAT under Section 115JB of the Act.

3.2.3. Section 48 of the Act, (which prescribes the mode of computation of capital gains) provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains.

However, in respect of long-term capital gains, a deduction of indexed cost of acquisition/improvement is available.

Indexed cost of acquisition means the means an amount which bears to the cost of acquisition the same proportion as Cost Inflation Index (CII) for the year in which the asset is transferred bears to the CII for the first year in which the asset was held by the taxpayer. In other words indexed cost of acquisition is computed as under:

Cost of acquisition X CII of the FY in which the asset is transferred/ CII of the FY in which the asset was first held by the tax payer.

3.2.4. As per the provisions of Section 112 of the Act, long-term capital gains (to the extent not exempt under Section 10(38) of the Act) would be subject to tax in the hands of the shareholders at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

As per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities [to the extent not exempt under Section 10(38) of the Act], calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

3.2.5. As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or a unit of equity oriented fund or a unit of business trust where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess).

Short-term capital gains arising from transfer of shares of the Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

3.2.6. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than those covered by section 10(38) of the Act) would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during the FY in which asset is transferred and in subsequent FY cannot exceed ₹ 5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

3.2.7. As per the provisions of Section 54F of the Act, long term capital gains [which are not covered under Section 10(38)] arising from the transfer of any capital asset (not being residential house property) held by an Individual or Hindu Undivided Family ('HUF') will be exempt from tax, if net consideration is utilised, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years. The exemption is available subject to fulfilment of prescribed conditions.

3.2.8. Under section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.

3.2.9. Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (up to 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

3.3. Deduction of STT while computing business income

As per Section 36(1)(xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

3.4. Income from other sources

As per the provisions of section 56(2)(vii) of the Act, where any property, other than immovable property (including shares) is received by an individual/ HUF: -

i) without consideration and the aggregate fair market value of such property exceeds ₹ 50,000, whole of the aggregate fair market value, or

ii) for a consideration which is less than the aggregate fair market value of such property by at least ₹ 50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources.

This provision is applicable only if shares are held by the shareholders as a capital asset.
This provision is not applicable where shares are received in any of the following modes, namely –

1) From any relative;

2) On the occasion of marriage of the individual;

3) Under a will or by way of inheritance;

4) In contemplation of death of the payer or donor;

5) From any local authority as defined in Explanation to Section 10(20);

6) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C); or

7) From any trust or institution registered under Section 12AA.

4. Benefits available to Non-resident shareholders (Other than Foreign Institutional Investors) under the Act

4.1. Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

However, as per the provisions of section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. 'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

As per the provisions of section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

4.2. Computation of capital gains

4.2.1. As per the provisions of section 2(42A) of the Act, securities (other than units) listed on a recognized stock exchange in India will be considered as short term capital asset if they are held for a period of 12 months of less immediately preceding date of their transfer. If the period of holding of shares is more than 12 months immediately preceding date of transfer, they will be treated as long term capital asset.

The capital gain/loss on sale of short term capital assets is regarded as short term capital loss. The capital gain/loss on sale of long term capital assets is regarded as long term capital loss.

4.2.2. According to Section 10(38) of the Act, long-term capital gains on sale of equity shares or a unit of equity oriented fund or a unit of business trust, where the transaction of sale is chargeable to STT, shall be exempt from tax.

However, in case of shareholder being a company and liable to MAT in India, gains arising on transfer of above referred long term capital asset shall not be reduced in computing the "book profit" for the purposes of computation of MAT under Section 115 JB of the Act.

4.2.3. First proviso to section 48 of the Act contains special provisions relating to computation of capital gains, in the hands of non-residents arising from transfer of shares of an Indian company which were purchased in foreign currency.

In such a case, the capital gains are computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with transfer and the full value of consideration into the same foreign currency that was initially used to purchase of such shares. The capital gain so computed in the original foreign currency is reconverted into Indian Rupees at the prescribed exchange rate. The said manner of computing capital gains is used in respect of capital gains accruing or arising from every reinvestment thereafter in and sale of shares of an Indian company.

The non-resident shareholders are not entitled to indexation benefit (for a detailed discussion on indexation, refer para 2.4.3 above).

4.2.4. As per the provisions of Section 112 of the Act, long-term capital gains (to the extent not exempt under Section 10(38) of the Act) would be subject to tax in the hands of the shareholders at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess).

As per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities [to the extent not exempt under Section 10(38) of the Act], calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

4.2.5. As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or a unit of equity oriented fund or a unit of business trust where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess).

Short-term capital gains arising from transfer of shares of the Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

4.2.6. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than those covered by section 10(38) of the Act) would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during the FY in which asset is transferred and in subsequent FY cannot exceed ₹ 5,000,000.

If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of its acquisition, the amount of capital gains so exempt shall be chargeable to tax during the year of such transfer or conversion.

4.2.7. As per the provisions of Section 54F of the Act, long term capital gains [which are not covered under Section 10(38)] arising from the transfer of any capital asset (not being residential house property) held by an Individual or Hindu Undivided Family ('HUF') will be exempt from tax, if net consideration is utilised, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years. The exemption is available subject to fulfilment of prescribed conditions.

4.2.8. Under section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.

4.2.9. Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (up to 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

4.3. Deduction of STT while computing business income

As per Section 36(1)(xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

4.4. Special benefit available to Non-resident Indian shareholders

4.4.1. In addition to some of the general benefits available to non-resident shareholders, where 'specified assets' (as defined in Section 115C (f) of the Act, which includes equity shares in the Company) have been subscribed or acquired or purchased by Non-Resident Indians, they have the option of being governed by the provisions of Chapter XII-A of the Act, which *inter alia* entitles them to the benefits mentioned below.

As per section 115C (e) of the Act, a 'Non Resident Indian' (NRI) has been defined to mean an individual being citizen of India or person of Indian origin who is not a resident.

4.4.2. As per the provisions of section 115E of the Act, investment income (income derived from specified assets other than dividends referred to in section 115O) or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% in the hands of a NRI. Income by way of long term capital gains in respect of a specified asset, shall be chargeable to income tax at the rate of 10%. The rates would be increased by the applicable rate of surcharge education cess and secondary & higher education cess.

4.4.3. Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of shares of the

Company acquired in convertible foreign exchange shall be exempt from tax if the whole or any part of the net consideration (consideration less expenditure incurred wholly and exclusively on transfer) is reinvested within six months of the date of the transfer in any 'specified assets' or savings certificates referred to in clause (4B) of section 10.

If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets or savings certificate are transferred or converted into money within three years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

4.4.4. As per the provisions of section 115D, no deduction is allowed for any expenditure or allowance under any provision of the Act in computing the investment income of the NRI. Further no deduction is allowed to NRI under chapter VIA against investment income or income by way of long term capital gains. The benefit of indexation is also not available.

4.4.5. As per the provisions of Section 115G of the Act, NRIs are not required to furnish a return of income under Section 139(1) of the Act, if:

- Their income chargeable under the Act consists of only investment income or long term capital gains arising from the transfer of specified asset or both and;
- Tax deductible at source has been deducted as per the provisions of Chapter XVII-B of the Act from the income.

4.4.6. As per the provision of Section 115H of the Act, where a person who is NRI in any FY, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified in sub clause (ii), (iii), (iv) or (v) of Section 115(C)(f) for that AY and for every subsequent AY until there is transfer or conversion into money of such asset. For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India.

4.4.7. In accordance with Section 115I of the Act, where a NRI opts not to be governed by the provisions of Chapter XII-A for any AY, his total income for that AY (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

4.5. Taxability as per DTAA

4.5.1. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country or any specified territory in which the non-resident has fiscal domicile.

As per the provisions of Section 90(2) of the Act, the provision of the DTAA would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident.

4.5.2. As per provisions of section 90(4) of the Act, a non-resident, shall not be entitled to claim any relief under DTAA, unless a certificate of his being a resident in any country outside India or specified territory outside India, as the case may be has been obtained by him from the government of that country or specified territory. In other words, the non-resident tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate from the government of their country of residence.

In addition, as per the provisions of section 90(5) of the Act, a non-resident shall also provide prescribed documents.

5. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

5.1. Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income earned by way of dividends from the Company would be exempt from tax in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

However, as per the provisions of section 94(7) of the Act, losses arising from transfer/sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. 'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

As per the provisions of section 14A of the Act, no deduction would be allowed in respect of expenditure incurred in relation to earning of dividend income which is exempt from tax.

5.2. Taxability of capital gains

5.2.1. As per the provisions of Section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under Section 10(38) of the Act at the rates as follows:

Nature of income	*Rate of tax (%)*
Long term capital gain [other than the short term capital gain covered by the provisions of section 10(38)]	10
Short term capital gain (other than the short term capital gain covered by the provisions of section 111A)	30

The above tax rates would be increased by the applicable rate of surcharge education cess and secondary & higher education cess.

The benefits of indexation and foreign currency fluctuation protection are not available to an FII.

The above mentioned capital gains are not subject to tax deduction at source as per the provisions of section 196D(2) of the Act.

5.2.2. According to Section 111A of the Act, short-term capital gains on sale of equity shares or a unit of equity oriented fund or a unit of business trust where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess) in addition to the other requirements, as specified in the Section.

5.3. Capital gains- not subject to Income- tax

5.3.1. According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be exempt from tax.

However, in case of shareholder being a company and liable to MAT in India, gains arising on transfer of above referred long term capital asset shall not be reduced in computing the "book profit" for the purposes of computation of MAT under Section 115 JB of the Act.

5.3.2. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company (other than the long term capital gain covered by the provisions of section 10(38)) would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during the FY in which asset is transferred and in subsequent FY cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

5.3.3. Under section 70(2) of the Act, the short term capital loss can be set off against other short term capital gain or long term capital gain. Under section 70(3) of the Act, the long term capital loss can be set off against other long term capital gain.

5.3.4. Under section 74 of the Act, the unabsorbed short term capital loss can be carried forward and set off against capital gains (whether short term or long term) of subsequent years (up to 8 years). Unabsorbed long term capital loss can be carried forward and set off against long term capital gains only in of subsequent years (up to 8 years). However, the unabsorbed capital loss can be carried forward only when the return of income has been filed within the time prescribed under section 139(1) of the Act.

5.4. Income from Business Profits

As per Section 36(1)(xv) of the Act, the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and gains of business or profession'.

5.5. Taxability as per DTAA

5.5.1. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country or any specified territory in which the non-resident has fiscal domicile.

As per the provisions of Section 90(2) of the Act, the provision of the DTAA would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident.

5.5.2. As per provisions of section 90(4) of the Act, a non-resident, shall not be entitled to claim any relief under DTAA, unless a certificate of his being a resident in any country outside India or specified territory outside India, as the case may be has been obtained by him from the government of that country or specified territory. In other words, the non-resident tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate from the government of their country of residence.

In addition, as per the provisions of section 90(5) of the Act, a non-resident shall also provide prescribed documents.

5.6. Benefits available to Mutual Funds under the Act

As per the provisions of Section 10(23D) of the Act, any income of:

- A mutual fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under;
- Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India

  would be exempt from income-tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

  However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act.

6. Benefits available to Venture Capital Companies/Funds

6.1. Under Section 10(23FB) of the Act, any income of Venture Capital Companies or Venture Capital Funds registered with the Securities and Exchange Board of India, from investment in a venture capital undertaking would be exempt from income tax, subject to conditions specified therein. 'Venture capital undertaking' means:

- A venture capital undertaking as defined in clause (n) of the regulation 2of Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 or
- A venture capital undertaking as defined in clause (aa) of sub regulation (1) of regulation 2of Alternate Investment Fund Regulations.

6.2. Under Section 10(23FC) any income of a business trust by way of interest received or receivable from a special purpose vehicle.

Explanation.—For the purposes of this clause, the expression "special purpose vehicle" means an Indian company in which the business trust holds controlling interest and any specific percentage of shareholding or interest, as may be required by the regulations under which such trust is granted registration;

6.3. Under Section 10(23FD) any distributed income, referred to in section 115UA , received by a unit holder from the business trust, not being that proportion of the income which is of the same nature as the income referred to in clause (23FC);

6.4. According to Section 115U of the Act, any income accruing or arising to or received by a person from his investment in venture capital companies/ funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.

6.5. Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the Venture Capital Company/ Funds from investments made in a Venture Capital Undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

7. Benefits available under the Wealth-tax Act, 1957

Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

8. Benefits available under the Gift-tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. However as per the provisions of Section 56(2)(vii) of the Act, value of any property including shares and securities received without consideration or for inadequate consideration will be included in the total income of the recipient and be subject to tax, unless exempt(for detailed discussion, refer para 3.4 above).

9. Loss under the head 'Capital Gains'

In general terms, loss arising from transfer of a capital asset in India can only be set off against capital gains. Long term capital loss arising on sale of equity shares not subjected to STT during a year is allowed to be set-off only against long term capital gains. A short term capital loss can be set off against capital gains whether short term or long term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of 8 years immediately succeeding the year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent years. In order to set off a capital loss as above, the investor (resident/ non- resident) is required to file appropriate and timely income-tax returns in India.

Notes:

1) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

2) The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current Tax Laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws;

3) This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

4) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to

any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country/specified territory (outside India) in which the non-resident has fiscal domicile; and

5) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

6) The tax rates (including rates for tax deduction at source) mentioned in this Statement are applicable for FY2014-15(AY 2015-16) and are exclusive of surcharge, education cess and higher education cess.

Surcharge @ 10% of income tax is applicable in case of individuals where total income under the Act exceeds ₹ 1 crore.

Surcharge @ 5% is applicable in case of domestic companies where total income under the Act exceeds ₹ 1 crore and is upto ₹ 10 crore. If the total income of the resident companies exceeds ₹ 10 crore, surcharge would be leviable @ 10%.

In case of foreign companies, surcharge @ 2% is applicable in case of where total income under the Act exceeds ₹ 1 crore and is upto ₹ 10 crore. If the total income exceeds ₹ 10 crore, surcharge would be leviable @ 5%.

LEGAL PROCEEDINGS

Our Company and our Subsidiaries are, from time to time, involved in various legal proceedings in the ordinary course of business, which involve matters pertaining to, amongst others, tax, regulatory and other disputes. The section below describes the legal proceedings, which exceed ₹ 10 million in value and/or could have a material adverse effect on the Company or the relevant Subsidiary.

Litigations involving our Company

As on date of this Preliminary Placement Document, there are no proceedings filed by or against our Company which exceeds ₹ 10 million in value or that may otherwise have a material bearing other than as follows:

Material Litigations filed against the Company:

The Bank of New York Mellon vs Gati Limited

In December 2011, our Company refinanced FCCBs issued by us in 2006 ("2006 Bonds"), by issue of 22,182 zero coupon unsecured FCCBs of US$ 1000 each under the automatic route ("2011 Bonds"). As per the terms and conditions of the issuance, the 2011 bonds are convertible any time from December 12, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares of our Company with a par value of ₹ 2 each with full voting rights at an initial conversion price of ₹ 38.51 per share with USD/INR reference exchange rate that is fixed at ₹ 52.2285 per US$. The conversion of the 2011 Bonds are currently under referral for clarification by the RBI based on our Company's representation dated July 23, 2014 seeking various clarifications. In April 2013, our Company sought RBI approval to buy back FCCBs of up to US$ 5 million, as the Bonds had not completed the average maturity period of five (5) years. While reviewing our request, the RBI determined that in 2006, we were not permitted to issue FCCBs under the automatic route, since we are a company in the services sector, and companies in the services sector were not allowed to issue FCCBs under the automatic route. While the RBI granted permission to our Company to buy back up to US$ 5 million of the 2011 Bonds, the RBI simultaneously held that the 2011 Bonds will be treated as debt, and directed our Company to pay an aggregate amount of ₹ 29.59 million as compounding fees. Our Company filed two writ petitions in Andhra Pradesh High Court challenging the compounding orders and action of RBI. Subsequently pursuant to our Company making a representation dated July 23, 2014 to RBI seeking various clarifications in relation to FCCBs, the writ petitions were disposed off. Our Company paid the compounding fees to RBI, and at the same time the High Court at Hyderabad directed the RBI to consider our Company's representation dated July 23, 2014 seeking various clarifications, including the character of the bonds. Our Company is awaiting RBI's clarification on treatment of the 2011 Bonds. For further details of this particular case please see the litigation titled "There are certain matters pending consideration of the RBI with respect to the FCCB 2006 and FCCB 2011 issuances made by our Company" below.

During the pendency of the RBI related proceedings, our Company received conversion notices dated February 11, 2014 and June 16, 2014 from certain bondholders for conversion of 22,182 FCCBs into an aggregate of 30,083,941 equity shares. However, our Company was unable to convert these FCCBs into equity shares as the proceedings in relation to RBI's decision was still pending. As a result, the Bank of New York Mellon in its capacity as a trustee has filed a suit for specific performance under Section 39 of the Specific Relief Act, 1963 on behalf of Bondholders against our Company in the City Civil Court, Secunderabad on December 22, 2014, in relation to the conversion notices. The Bank of New York Mellon has inter alia sought (i) conversion by our Company of (a) 2000 FCCBs into 2,712,464 (two million seven hundred and twelve thousand four hundred and sixty four) equity shares in the name of the first Bondholder and (b) 20,182 FCCBs into 27,371,477 (twenty seven million three hundred and seventy one four hundred and seventy seven) equity shares in the name of the second Bondholder pursuant to conversion notices dated February 11, 2014 and June 16, 2014 respectively; and (ii) compensation equivalent to the difference between the aggregate value of the converted equity shares as on the date of the conversion of the 2011 Bonds and aggregate value of the converted equity shares as on the date of the actual conversion whichever is higher. The suit is currently pending and is being contested by our Company.

Material Litigations filed by the Company:

There are certain matters pending consideration of the RBI with respect to the 2006 Bonds and 2011 Bonds issuances made by our Company

In 2006, our Company issued 20,000 zero coupon unsecured FCCBs of US$ 1000 each under the automatic route ("**2006 Bonds**"). The 2006 Bonds were due for redemption in December 2011. In December 2011, our Company refinanced the 2006 Bonds by issue of 22,182 zero coupon unsecured FCCBs of US$ 1,000 each under the automatic route ("**2011 Bonds**"), which are due in December 2016. In April 2013, our Company sought RBI approval to buy back FCCBs of up to US$ 5 million, since the Bonds have not completed the average maturity period of five (5) years. While reviewing our request, the RBI determined that in 2006, we were not permitted to issue FCCBs under the automatic route, since we are a company in the service sector, and companies in the service sector were not allowed to issue FCCBs under the automatic route. This restriction was relaxed in June 2008 and August 2010, when the RBI permitted companies in the service sector to issue FCCBs up to US$ 100 million under the automatic route. Since our Company issued 2006 Bonds prior to June 2008, the RBI issued a compounding order, not only for 2006 Bonds, but also for 2011 Bonds, as the 2011 Bonds were a refinance of 2006 Bonds. Although, the RBI granted permission to our Company to buy back FCCBs of up to US$ 5 million, the RBI stated that the 2011 Bonds will be treated as debt.

The RBI also directed our Company to pay an aggregate of ₹ 29.59 million as compounding fees, against which our Company filed two writ petitions in Andhra Pradesh High Court challenging the compounding orders and actions of RBI. Subsequently, on July 23, 2014 our Company submitted certain representations to RBI and sought clarification on various issues relating to the Bonds, and the writ petitions were disposed off. Our Company paid the compounding fees to the RBI, and at the same time the Andhra Pradesh High Court directed the RBI to consider our Company's representation dated July 23, 2014 seeking various clarifications including on the nature and treatment of FCCBs and the conversion price. Our Company is waiting to receive RBI’s clarification on treatment of the 2011 Bonds and related aspects.

Material Arbitration proceedings involving the Company:

Arbitration Application ARBAPPL 4/ 2012 in the High Court of Andhra Pradesh in respect of dispute with Leonid Chemical ("Leonid")

Our Company has filed arbitration application ARBAPPL 4/ 2012 in the High Court of Andhra Pradesh, under section 11(2) and 11(6) of the Arbitration & Conciliation Act 1996 and the Scheme to Appointment of Arbitrators 1996, to appoint a sole arbitrator for adjudication of claims and disputes between our Company and Leonid Chemicals, in respect of damage and losses suffered by our Company, due to fire accident caused by highly inflammable consignment of Leonid. Leonid’s consignment consisting of a large volume of chemicals was being transported by us under our 'Bulk Express' service through the railway. However, other than stating that the consignment consisted of chemicals, Leonid did not disclose the nature of these chemicals or the precautions to be taken in handling and transportation of the chemical at the time of booking the consignment. As a result of the fire break out in the train all our consignments including the Leonid chemical consignment were destroyed resulting in our Company suffering losses. After the fire accident, on an investigation by the railway authorities, it was discovered that the consignment of chemicals consisted of 'Hexane' a highly contraband, hazardous, inflammable article. The Hexane packages, due to their highly inflammable nature was responsible for the fire break out and as it was loaded along with other consignments in the wagon, the entire consignment in the wagon was gutted and destroyed. Our Company has alleged that Leonid deliberately suppressed the nature of the chemicals in order to avoid paying additional freight charges, and that the same has resulted in our Company suffering losses and incurring expenses of ₹146,615,052 (*Rupees one hundred and forty six million six hundred and fifteen thousand and fifty two*), on account of damage of shipments of other customers, claim from customers and claims from the railway for damage of wagon, loss of current and future business and revenues and damage to our brand and reputation.

The present application by our Company to the High Court for appointment of the sole arbitrator, has been filed due to objections raised by Leonid Chemicals against the adjudication of the dispute by an arbitrator originally appointed by our Company, and the arbitrator withdrawing from the arbitration proceedings as a result of such objection. While there are no criminal proceedings filed against our Company in this matter, criminal proceedings for, inter alia negligence against certain individuals who are/were employed with our Company/ Subsidiaries at the time of the accident, was filed and the same is pending adjudication.

Gati Limited vs M/s Kirby Building System India Limited

Our Company has initiated arbitration proceedings against M/s Kirby Building System India Limited ("**KBSIL**") and others claiming a sum of ₹16,844,800(*Rupees sixteen million eight hundred and forty four thousand eight hundred*) and a sum of ₹4,000,000 (*Rupees four million*) towards liquidated damages on account of shortfall in supply and construction of pre-fabricated steel engineered building alongwith interest thereon. KBSIL has disputed this claim and has sought to counter claim a sum of ₹6,168,961 (*Rupees six million one hundred and sixty eight thousand nine hundred and sixty one*). The Company has filed a counter to the counter claim denying the contentions made by KBSIL. This matter is currently at the stage of arguments.

Gati Limited vs NACIL

In 2009 our Company discontinued Freighter Aircraft operations as per the arrangement with National Aviation Company of India Ltd (NACIL) (erstwhile Indian Airlines Ltd.,) and now Air India (AI), due to continuous failure and defaults by NACIL which was referred to arbitration. The Arbitral Tribunal adjudicating the disputes between our Company and Air India Limited in respect of the discontinued freighter operations of the Company, had passed its Award dated September 17, 2013, whereby, it has inter alia directed Air India Limited to pay an amount of ₹ 181.90 Million (includes legal cost amounting to ₹ 12.76 Million) to our Company. Further, the Learned Tribunal has directed Air India Limited to pay interest @ 18% per annum on the awarded amount with effect from the Award date till the actual date of realization. Air India has preferred an application in the Delhi High Court *inter alia,* seeking setting aside of the Award. The matter is pending adjudication.

Material Litigation involving our Subsidiaries:

Gati- KWE

Gati- KWE vs B.T Enterprises Private Limited (**"*B.T Enterprises*"**)

B.T Enterprises has made payment of settlement amount of ₹ 17,000,000 (*Rupees seventeen million*) to Gati KWE pursuant to an out of court settlement reached between them pertaining to a dispute for compensation in respect of a warehouse accident in respect of which proceedings were pending in the Madras High Court. While Gati- KWE has received the settlement amount, the final decision of the Madras High Court granting its approval to the settlement is still awaited.

Material Litigation involving Associates

TCI Finance Limited ("TFL")

TFL vs Dharendra Babulal Gandhi

TFL has filed execution petition no 92/2006 in the Court of Senior Civil Judge of Ahmedabad (Rural) with respect to suit filed under Order XXXVII of the CPC against Dharendra Babulal Gandhi for recovery of monies of a sum of ₹4,460,598 (*Rupees four million four hundred and sixty thousand five hundred and ninety eight*) at an interest at the rate of 36% per annum. This matter is still pending.

TFL vs Delvin Electric Pvt. Limited ("Delvin")

TFL has filed an execution application no 527/2005in the City Civil Court, Secunderabad with respect to suit filed against Delvin for recovery of ₹7,839,330 (*Rupees seven million eight hundred thirty nine thousand three hundred and thirty*) at an interest at the rate of 36% p.a. on account of default in payment of rent towards leasing of equipment, machineries and accessories The city civil court has directed Delvin to pay the outstanding amount to TFL at the earliest. This execution petition is pending for sale proclamation and the next date of hearing is April 20, 2015.

TFL vs Salstar Foods and Beverages Limited ("Salstar")

TFL has filed a execution application no 151/1998 in the City Civil Court, Hyderabad against Salstar for recovery of ₹7,244,666 (*Rupees seven million two hundred and forty four thousand six hundred and sixty six*) and interest thereon amounting to ₹43,412,604 (*Rupees forty three million four hundred and twelve thousand six hundred and four*). The City

Civil Court has issued a decree directing Salstar to pay the outstanding amount to TFL. This execution petition is pending for sale proclamation and the next date of hearing is April 24, 2015.

TFL vs Shaan Interwell (India) Limited

TFL has filed an execution application no 502/2007 in the High Court of Bombay against M/s Shaan Interwell (India) Limited with respect to suit no 110/1998 for recovery of ₹6,858,306 (*Rupees six million eight hundred and fifty eight thousand three hundred and six*) and interest at the rate of 36% per annum for default in remitting payment due for hire of purchase facilities for business. This execution petition is still pending admission in the High Court of Bombay,

TCI Finance Limited vs Nucor Wires Limited

TCI Finance Limited (**"TCI")** filed a execution petition no 1248/2003 under Order 21 Rule 11 of the CPC with respect to summary suit no 67/1998 filed under Order XXXVII of the CPC against Nucor Wires Limited (**"Nucor"**) for recovery of ₹5,054,659 (*Rupees five million fifty four thousand six hundred and fifty nine*) and interest at the rate of 36% per annum in the City Civil Court, Hyderabad for default in payment as stated in the hire purchase agreement executed between TCI and Nucor. This matter is in the process of settlement out of court.

Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against the Promoter during last three years:

Nil

Litigations involving our Promoter and Directors:

As on date of this Preliminary Placement Document, our directors and promoter are involved in certain cases filed by them in their personal capacity, and that are not connected in any way to our Company or Subsidiaries. Further there are no proceedings or litigations involving our Promoter and Directors that pertain to our Company or our Subsidiaries that have a materially adverse impact on our business operations or financial condition. There have been no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years immediately preceding the date of this Preliminary Placement Document. There are no litigations involving our Promoter or our Directors

Proceedings involving our Directors in the past:

There have been no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Directors during the last three years immediately preceding the date of this Preliminary Placement Document.

Material notices issued/received by the Company and our Subsidiaries:

As on date of this Preliminary Placement Document there are no notices that have been received by our Company or any Subsidiary that may have a material impact on our business or financial condition or otherwise result in material litigation.

Prosecutions filed, fines imposed, compounding of offences in the last three years against our Company and Subsidiaries

Compounding proceedings in respect of contraventions of regulation 16(1)(iii) of the FEMA 120/RB-2004 dated July 7, 2004

Our Company had transferred its entire investments in its overseas WOS Gati Holdings Limited, Mauritius (GHL) and all assets of GHL to Gati Asia Pacific Pte. Ltd, a Singapore based company (GAPL) on December 21, 2011, which was followed by acquisition of the entire stake of Gati Singapore by our Company. The investments and assets were transferred at cost and was executed by swap of shares without exchange of any cash consideration. GHL was liquidated pursuant to transfer of all assets to GAPL, and our Company received shares of GAPL against its investment in GHL. Since the transaction related to liquidation of a wholly owned subsidiary pursuant to transfer of the assets, our Company did not carry out a valuation exercise as all assets would ultimately belong to our Company, as sole shareholder of the transferee company- GAPL.

RBI by letter dated December 13, 2012 (Ref. No. FE. CO. 010./12258/19.07.271/2012-13) to our Company stated that the acquisition of shares of GAPL against the investment in GHL was based on purchase cost that does not fulfill and is further in contravention of the requirements of regulation 16(1)(iii) of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004 ("FEM Regulations"), and directed our Company to seek compounding of the alleged contravention. In response our Company filed a compounding application with the RBI on February 7, 2013, for (1) condonation of delay in reporting the dissolution of GHL, (2) allotment of UIN to GAPL, (3) permission to make remittance of US$ 1.5 million to GAPL and (4) take on record the disinvestment from GHL .

The RBI by letter dated January 30, 2014 allotted a UIN for GAPL which was conditional/ subject to and without prejudice to compounding proceedings. Our Company thereafter re-filed its compounding application stating that Regulation 16 of the FEMA Regulations was not applicable to the transfer of assets and investments of GHL to GAPL, and sought condonation of delay in reporting the dissolution of GHL, which was on account of administrative lapses.

The RBI by letter dated October 13, 2014, returned our compounding application and advised us to file a fresh application. In response our Company on January 15, 2015 re- filed the compounding application seeking a hearing with RBI. Our Company has also requested that the RBI consider the contravention as a technical one and not a substantive violation and pardon the lapse without imposition of penalty, or compound the lapse with a minimal penalty. The RBI, vide its letter dated March 5, 2015 has granted our Company an opportunity for a personal hearing on April 17, 2015. Our compounding application will be decided after the personal hearing.

Compounding fees in respect of FCCBs issued by our Company

Our Company has paid a total of ₹ 29.59 million as compounding fees with respect to the 2011 Bonds and the 2006 Bonds, as directed by the RBI. For further details of these proceedings please see the litigation titled –'*There are certain matters pending consideration of the RBI with respect to the FCCB 2006 and FCCB 2011 issuances made by our Company',* in this section.

Inquiries, inspections or investigations under Companies Act in the last three years against the Company and our Subsidiaries:

There were no inquiries, inspections or investigations initiated or conducted or prosecutions filed, disposed off or fine imposed or compounding application filed under the Companies Act, 1956 or Companies Act, 2013 or any previous company law in relation to the Company and Subsidiaries under Companies Act in the last three years against the Company and our Subsidiaries.

Defaults in respect of dues payable:

There have not been any defaults in respect of dues payable in the last three years.

Material frauds committed against the Company

There are no any material frauds against the Company in the last three years.

STATUTORY AUDITORS

M/s. R.S. Agarwala, Chartered Accountants are our current joint statutory auditors as required by the Companies Act and in accordance with the guidelines issued by the ICAI have audited the Audited Consolidated Financial Statements as of and for the years ended March 31, 2014, June 30, 2013 and June 30, 2012 and whose audit reports are included in this Preliminary Placement Document and have performed limited review of the unaudited reviewed Condensed Consolidated Financial Statements of the Company as of and for the nine month period ended December 31, 2014 and whose limited review report in relation to such financial statements has been included in this Preliminary Placement Document.

Our Company has received consent from the Auditors to include their name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Preliminary Placement Document in relation to the report of the Auditor dated March 26, 2015 and statement of tax benefits dated March 26, 2015 included in this Preliminary Placement Document. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

GENERAL INFORMATION

1. The Company was incorporated on April 25, 1995 in India under the Corporate Identity Number (CIN) L63011TG1995PLC020121. The Company's registered office is in the State of Telangana, and is located at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad-500084, Telangana.

2. As on the date of this Preliminary Placement Document the authorized share capital of the Company is ₹ 300 million comprising 125,000,000 Equity Shares of ₹ 2 each and 500,000 Redeemable Preference Shares of ₹ 100 and the issued subscribed and paid up capital of the Company is ₹ 174.96 million comprising 87,477,537 Equity Shares.

3. The Equity Shares of the Company are listed on the BSE and the NSE.

4. Our Company Secretary and Compliance Officer is Mr. VSN Raju. His contact details are as follows:

   Plot No.20, Survey No.12,
   Kothaguda, Kondapur,
   Hyderabad-500084, Telengana, India
   Telephone No.: +91 40 27844284;
   Facsimile No.: +91 40 23112316
   E-mail: vsn.raju@gati.com

5. This Issue was authorized and approved by the Board of Directors on January 24, 2015 and approved by the shareholders through a special resolution at the Extraordinary General Meeting of the Company on March 20, 2015.

6. We have received in-principle approvals to list the Equity Shares to be issued pursuant to this Issue, from each of the BSE and the NSE on April 15, 2015 and April 15, 2015, respectively.

7. For the main objects of the Company, please refer to Memorandum of Association. Copies of our Memorandum and Articles of Association will be available for inspection between 10 am to 4 pm during business hours on any weekday(except Saturdays, Sundays and public holidays) at our Registered Office.

8. There has been no material change in our financial or trading position since March 31, 2014, the date of the last published audited financial statements prepared in accordance with Indian GAAP included in this Preliminary Placement Document, except as disclosed herein.

9. M/s R.S. Agarwala & Co., Chartered Accountants have audited the Audited Consolidated Financial Statements and have performed limited review of the unaudited reviewed Condensed Consolidated Financial statements.

10. Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.

11. We confirm that we are in compliance with the minimum public shareholding requirements as specified in the SCRR.

12. The Floor Price is ₹ 236.31 per Equity Share, calculated in accordance with the provisions of Chapter VIII of the SEBI Regulations, as reported by M/s R.S. Agarwala & Co., Chartered Accountants.

13. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.

14. The Company and Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

FINANCIAL STATEMENTS

Review Report
To the Board of Directors of Gati Limited

1. We have reviewed the accompanying condensed consolidated financial statements of Gati Limited (the "Company") and its subsidiaries, and associate (hereinafter collectively referred to as the ("Group"), which comprise the condensed consolidated balance sheet as at 31 December 2014, condensed consolidated statement of profit and loss and condensed consolidated statement of cash flows for the nine months period then ended and select explanatory notes to condensed consolidated financial statements for the nine months ended 31 December 2014 (collectively, the "Condensed Consolidated Financial Statements"). These Condensed Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these Condensed Consolidated Financial Statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with Accounting Standard 25, "Interim Financial Reporting", as notified under the Companies (Accounting Standard) Rules, 2006, read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 except that the irrecoverable amounts due from Gati Ship Limited of Rs.24.150 Crores to be debited to the Statement of Profit and Loss has been adjusted against Special Reserve created as per the Scheme of Arrangement sanctioned by the Honorable Andhra Pradesh High Court by its order dated 19th March, 2013 which is not in accordance with Accounting Standard (AS 5)'Net Profit or Loss for the Period, Prior period items and changes in accounting policies' had the said adjustment been made to the Statement of Profit & Loss in terms of Accounting Standard 5 (AS 5), the profit after tax of ₹ 41.54 Crores during the period would have turned into a loss of ₹ 17.39 Crores.

4. We did not review the financial statements of certain subsidiaries and associate included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 70.50 Crores as at 31 December 2014 and total revenues of ₹ 62.22 Crores in the nine months period then ended**.** These financial statements have been reviewed by other auditors whose review reports have been furnished to us by the management, and our review opinion on the Condensed Consolidated Financial Statements of the Group for the nine months period then ended to the extent they relate to the financial statements not reviewed by us as stated in this paragraph is based solely on the review reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **R.S. Agarwala & Co.**
Chartered Accountants, Registration No.: 304045E

(R.S. Agarwala)
Partner
Membership No.: 005534
Place: Hyderabad
Date: March 26, 2015

GATI LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 2014

(In Rupees Million)

Particulars	As at 31st Dec 2014	As at 31st Mar 2014
EQUITY AND LIABILITES		
Shareholders' Funds		
Share Capital	174.53	174.53
Reserves and Surplus	5,289.25	7,553.84
	5,463.78	**7,728.37**
Preference Shares Issued by Subsidiary Company	9.32	-
Minority Interest	750.52	1,173.16
Non-Current Liabilities		
Long Term Borrowings	2,684.82	2,671.68
Deferred Tax Liabilities	52.79	60.83
Other Long Term Liabilities	11.69	5.51
Long Term Provisions	266.17	186.33
	3,015.45	**2,924.35**
Current Liabilities		
Short Term Borrowings	1,041.94	1,304.33
Trade Payables	935.26	732.32
Other Current Liabilities	1,316.66	1,257.50
Short Term Provisions	635.30	653.48
	3,929.16	**3,947.63**
Total	**13,168.24**	**15,773.52**
ASSETS		
Non - Current Assets		
Fixed Assets		
Tangible Assets	2,467.92	3,778.97
Intangible Assets	16.97	14.98
Capital Work in progress	80.47	387.07
Goodwill on Consolidation	4,468.78	4,468.85
Non-Current Investments	647.14	547.80
Long Term Loans and Advances	569.88	1,337.98
Other Non-Current Assets	20.47	17.60
	8,271.64	**10,553.26**
Current Assets		
Inventories	47.65	119.09
Trade Receivables	2,667.41	2,414.23
Cash and Bank Balances	539.98	308.01
Short Term Loans and Advances	1,641.55	2,378.93
	4,896.60	**5,220.26**
	13,168.24	**15,773.52**

The accompanying notes are an integral part of the Condensed Consolidated Financial statements

In terms of our Report of even date attached

For and on behalf of the Board constituted
QIP committee

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance

Mahendra Agarwal
Founder & CEO

R. S. Agarwala
Partner
Membership No. 005534
Place: Hyderabad
Date: March 26, 2015

VSN Raju
Company Secretary

GATI LIMITED

CONDENSED CONSOLIDATED PROFIT AND LOSS FOR THE NINE MONTHS ENDED 31st DECEMBER 2014

(In Rupees Million)

Particulars	Nine Months ended 31st December 2014	Year ended 31st March 2014 (Nine months)
REVENUE		
Revenue From Operations	12,334.74	11,165.72
Other Income	95.08	106.09
Total Income	**12,429.82**	**11,271.81**
	-	-
EXPENSES	-	-
Purchase of Stock-in-trade	1,809.75	1,749.40
Changes in Inventories of Stock-in-Trade	(11.04)	(1.33)
Operating Expenses	7,329.99	6,627.02
Employee Benefits Expenses	1,133.98	1,026.93
Finance Costs	306.85	324.98
Depreciation and Amortization Expense	240.66	220.70
Other Expenses	1,014.24	922.57
Total Expenses	11,824.44	10,870.26
	-	-
Profit before Taxes and Exceptional Items	**605.38**	**401.55**
Exceptional item	(29.59)	-
Profit before Taxes	**575.79**	**401.55**
	-	-
TAX EXPENSES	-	-
Current Tax	144.38	166.39
Net Reversal of Previous Year's Taxes	-	(2.13)
Deferred Tax	15.99	32.35
Reversal of Excess Deferred Tax Liability	-	(78.20)
	-	-
Profit before Minority Interest	415.42	283.14
Less: Minority Interest	116.88	48.95
	-	-
Profit for the period	**298.54**	**234.19**
EARNINGS PER SHARE (Rs.)		
Basic	2.11	2.70
Diluted	1.56	2.00

The accompanying notes are an integral part of the Condensed Consolidated Financial statements

In terms of our Report of even date attached

For and on behalf of the Board constituted
QIP committee

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance

Mahendra Agarwal
Founder & CEO

R. S. Agarwala
Partner
Membership No. 005534
Place: Hyderabad
Date: March 26, 2015

VSN Raju
Company Secretary

GATI LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31st DECEMBER 2014

(In Rupees Million)

Particulars	31st Dec, 2014	31st March, 2014
(I) Cash flows from Operating Activities		
Net Profit/ (Loss) After Tax	415.42	283.14
Add: Taxes	160.38	118.41
Net profit before taxation and exceptional items	575.79	401.55
Adjustment for Non-Cash and Non-Operating Items.		
Depreciation	240.66	220.7
Interest on Borrowings	306.85	324.98
Rent	(5.03)	(5.69)
Profit on Sale of Fixed Asset (Net)	(10.63)	(13.20)
Dividends	(0.36)	-
Interest	(65.01)	(82.77)
Difference in Exchange (Net)	(0.45)	-
Operating Profit before working capital changes	**1,041.81**	**845.57**
(Increase) / Decrease in Sundry Debtors (Net of Bad-debts)	(465.23)	(211.41)
(Increase) / Decrease in Inventories	(11.15)	(0.73)
(Increase) / Decrease in Loans & Advances	210.29	(204.79)
(Increase) / Decrease in Other Current Assets	-	(4.77)
Increase / (Decrease) in Short Term Borrowings	(214.14)	(77.03)
Increase / (Decrease) in Trade Payables	238.20	68.78
Increase / (Decrease) in Other Liabilities	173.31	(9.18)
Increase / (Decrease) in Provisions	18.48	(4.87)
Cash generated from Operations	**991.56**	**401.57**
(Income tax paid) Net tax refund received	(157.45)	(92.31)
Net Cash Flow from Operating Activities	**834.10**	**309.27**
(II) Cash Flow from Investing Activities		
(Increase) / Decrease in Capital WIP	306.67	(142.47)
(Increase) / Decrease in Capital Advances (Net)	-	(6.91)
Changes in Fixed Assets (Net)	(680.06)	(95.15)
Rent	5.03	5.69
Dividends	0.36	-
Interest	65.01	82.77
Difference in Exchange (Net)	0.45	-
Net Cash Flow from Investing Activities	**(302.53)**	**(156.06)**
(III) Cash Flow from Financing Activities		
Dividend paid	(138.64)	(110.32)
Total Loan Receipt	464.51	(26.58)
Other Long Term Liabilities (Int on FD)	6.17	-
Interest on Borrowings	(306.85)	(324.98)
Inc in Share Capital	-	1.36
Inc in Share Premium	189.92	22.53
FD receipts	-	127.03
Desubsidization of GSL	(514.73)	-
Net Cash Flow from Financing Activities	**(299.61)**	**(310.96)**

Particulars	**31st Dec, 2014**	**31st March, 2014**
Net Increase / (Decrease) in cash and cash equivalents (I+II+III)	**231.97**	**(157.75)**
Cash and Cash equivalents in the beginning of the period/year	308.01	465.77
Cash and Cash equivalents in the end of the period/year	539.98	308.02
Cash flow from activities during the year	**231.97**	**(157.75)**

The accompanying notes are an integral part of the Condensed Consolidated Financial statements

In terms of our Report of even date attached

For and on behalf of the Board constituted
QIP committee

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance

Mahendra Agarwal
Founder & CEO

R. S. Agarwala
Partner
Membership No. 005534
Place: Hyderabad
Date: March 26, 2015

VSN Raju
Company Secretary

GATI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Figures of the previous period have been regrouped reclassified wherever necessary.

Significant Accounting Policies:

Recognition of Income & Expenditure

a) Income and expenditure are generally recognised on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
b) Freight Income is accounted when goods are delivered by the Company to customers.
c) Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
d) Having regard to the size of operations and the nature and complexities of the company's business, freight received/paid in advance is accounted as income/expenses on payment and interdivisional transfers are eliminated.
e) Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation.

The Principal assumption used in determining gratuity and leave encashment for the company's plan are shown below:

Particulars:	**December 2014**	**March 2014**
Discount Rate	9%	9%
Future Salary Increase	8%	8%
Employee Turnover	7%	7%
Average Balance Service (For Gratuity)	24.92 years	24.92 years

Provident Fund

Provident fund contribution is remitted to appropriate authority.

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

a) Fixed assets are stated at cost and / or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.
b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from revaluation reserve created on revaluation of Fixed Assets to Statement of Profit and Loss.

Depreciation

Depreciation is provided on straight line method at rates specified in Schedule II to the Companies Act, 2013.Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction. Individual assets costing upto ₹ 5,000/- are depreciated fully in the year of acquisition.

Investments

Investments are stated at cost or at the fair values

Inventories

Petroleum products are valued at lower of cost and net realisable value.

Foreign Exchange Transaction

a) Foreign currency transactions are recorded at average rate for the month.
b) Monetary items in foreign currency at the yearend are converted in Indian currency at the yearend rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.
ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance life of the long-term monetary item, not beyond 31 March 2020.

c) Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit & Loss.

d) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.

Taxation

Income Tax

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognized whenever the recoverable amount of an asset is less than its carrying amount.

In terms of our Report of even date attached

For and on behalf of the Board constituted
QIP committee

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance

Mahendra Agarwal
Founder & CEO

R. S. Agarwala
Partner
Membership No. 005534
Place: Hyderabad
Date: March 26, 2015

VSN Raju
Company Secretary

GATI LIMITED

EXPLANATORY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. In terms of the order of The Reserve Bank of India holding that FCCB's issued by the company were not in conformity with the necessary criteria/conditions for issuing FCCB's under the automatic route specified in the regulations/notifications under the FEMA and levied a compounding fee of ₹ 296 lacs which has been paid and disclosed as an exceptional item in the financials for the 9 months ended December 31st, 2014.

2. A private equity investor has acquired in the subsidiary Gati Kausar India Limited 13,05,132 Equity Shares of ₹ 10 each at a premium of ₹ 143.24 each and 9,32,237 Compulsory Convertible Preference Shares of face value of ₹ 10 each at a premium of ₹ 97.27 each and 60 Senior Secured Redeemable Non-Convertible Debenture Cum Bonds of face value of ₹ 10 lacs each, for a total consideration of ₹ 36 crores in aggregate.

3. During the period the company has acquired 4,69,484 equity shares of ₹ 10 each at a premium of ₹ 90 per share (as determined by an independent valuer) of Gati Kausar India limited.

4. As a closure measure to exit from the Shipping Business, the company was committed to absorb a onetime exit cost amounting to ₹ 24.15 crores which being exceptional in nature has been charged to the Special Reserve in the balance sheet as permitted by the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh in its order dated 19th March 2013.

5. During the period the company sold 12.09% of its holding in Gati Ship Limited. Consequently Gati Ship Ltd. 'has ceased to be a subsidiary with effect from May 15, 2014 and is now an associate.

In terms of our Report of even date attached

For and on behalf of the Board constituted
QIP committee

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance

Mahendra Agarwal
Founder & CEO

R. S. Agarwala
Partner
Membership No. 005534
Place: Hyderabad
Date: March 26, 2015

VSN Raju
Company Secretary

Independent Auditors' Report

To the Board of Directors of Gati Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Gati Limited (the Company) and its subsidiaries collectively called the 'Group', which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the nine months period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of theconsolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair viewand are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the Group's preparation and presentation of the consolidated financialstatements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Anaudit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accountingestimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to providea basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of other auditors on separate financial statements of the components, we are of the opinion that the attached Consolidated Financial Statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of Consolidated Balance Sheet of the state of affairs of the Group as at March 31, 2014.

b) In the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the nine months period ended on that date and

c) In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the nine months period ended on that date.

Emphasis of matters:

We draw attention to the following notes:

(a) Note 28 of the consolidated financial statements regarding the scheme of arrangement for amalgamation (the Scheme) sanctioned by the Hon'ble Andhra Pradesh High Court by its order dated 19th March, 2013. The Scheme permits the Company to create a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation amounting to Rs.555.54 crores to be utilized to adjust therefrom any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of Directors may deem fit. Accordingly irrecoverable advances and dues aggregating to Rs 80.05 crores required to be debited to the Statement of Profit and Loss have been adjusted against Special Reserve which is not in accordance with the Accounting Standards (AS) 5 'Net Profit or Loss for the period, prior period items and Changes in Accounting Policies'. This has resulted in the profit for the period before tax and profit after tax for the period being higher by Rs.80.05 crores.

(b) Note 31(a) of the consolidated financial statements regarding non provision against investments and other receivables from the subsidiary Gati Kausar India Limited amounting to Rs.35.23 crores and Rs. 2.64crores respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.

(c) Note 31(b) of the consolidated financial statements regarding non provision against investments and other receivables from the subsidiary Zen Cargo Movers Pvt. Ltd. amounting to Rs.36.22 lakhs and Rs. 147.61 lakhs respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.

(d) Note 32 of the consolidated financial statements in respect of two wholly owned overseas subsidiaries of Gati Asia Pacific Pte Ltd (wholly owned subsidiary of Gati Ltd) namely (i) Gati Hong Kong Ltd has capital deficiency, has incurred a net loss of Rs. 71,75,314/- (HK$ 905,853) during the period ended 31st March 2014 and as of that date, the subsidiary's total liabilities exceeded its total assets by Rs. 1,61,23,802/- (HK$ 2,090,498) which indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern and (ii) in the case of Gati China Holdings Ltd, in the management's opinion no impairment provision in respect of its investments made to its subsidiary , is required to be made.

(e) Note 33 of the Consolidated Financial Statements regarding non provision for dues of Rs. 13.90 Crores from a body corporate as the management is confidant of its full recovery.

Our opinion is not qualified in respect of these matters.

Other Matters:

We did not audit the financial statements of eight subsidiaries (including 5 overseas subsidiaries/ step down subsidiaries), whose financial statements reflect total assets of Rs. 46.25 crores as at 31st March, 2014, total revenues of Rs. 58.24 crores and net cash outflows amounting to Rs 0.29 crores for the nine months period ended on that date, as considered in the consolidated financial statements.These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on those reports.

Our opinion is not qualified in respect of these matters.

For R.S. Agarwala& Co.
Chartered Accountants
Firm's Regn.No.:-304045E

(R.S.Agarwala)
Partner
Membership No.005534

Camp:-Secunderabad
Date :- 6th May,2014

Consolidated Balance Sheet as at March 31, 2014

(₹ in Million)

Particulars	Note	31st March 2014	30th June 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	174.53	173.16
Reserves and Surplus	2	7,553.85	7,696.92
		7,728.38	**7,870.08**
Minority Interest		**1,173.16**	**1,154.21**
Non-Current Liabilities			
Long Term Borrowings	3	2,671.68	2,378.05
Deferred Tax Liabilities(Net)	4	60.83	106.65
Other Long Term Liabilities	5	5.51	4.00
Long Term Provisions	6	186.33	121.95
		2,924.35	**2,610.65**
Current Liabilities			
Short Term Borrowings	7	1,304.33	1,381.36
Trade Payables	8	732.33	662.90
Other Current Liabilities	9	1,257.50	1,452.52
Short Term Provisions	10	653.47	471.64
		3,947.63	**3,968.42**
Total		**15,773.52**	**15,603.36**
ASSETS			
Non - Current Assets			
Fixed Assets	11		
Tangible Assets		3,778.97	3,858.68
Intangible Assets		14.98	12.76
Capital Work in Progress		387.07	244.61
Goodwill on Consolidation		4,468.85	4,468.82
Non-Current Investments	12	547.80	202.08
Long Term Loans and Advances	13	1,337.98	1,489.33
Other Non-Current Assets	14	17.60	5.08
		10,553.25	**10,281.35**
Current Assets			
Inventories	15	119.09	118.35
Trade Receivables	16	2,414.22	2,202.82
Cash & Bank Balances	17	308.02	465.77
Short Term Loans and Advances	18	2,378.94	2,535.07
		5,220.27	**5,322.01**
Total		**15,773.52**	**15,603.36**
The Notes form an integral part of these Consolidated Financial Statements	1 - 47		

In terms of our Report of even date attached

For R.S. Agrawala & Co
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : 05534

Camp: Secunderabad
Date: May 6, 2014

For and on behalf of the Board

KL Chugh – Chairman

Mahendra Agrawal - Founder & CEO

N.Srinvasan - Director

Sanjeev Jain - Director – Finance

VSN Raju - Company Secretary

Consolidated Statement Of Profit And Loss for the period ended March 31, 2014

(₹ in Million)

Particulars	Note	(9 months ended) 31st March 2014	(12 months ended) 30th June 2013
REVENUE			
Revenue from Operations	19	11,165.72	12,729.46
Other Income	20	106.09	165.67
TOTAL		**11,271.81**	**12,895.13**
EXPENSES			
Purchase of Stock in Trade	21	1,749.41	1,741.55
Change in Inventories of Stock-in-trade	22	(1.33)	(27.55)
Operating Expenses	23	6,627.01	7,858.83
Employee Benefits Expense	24	1,026.93	1,236.39
Finance Costs	25	324.97	436.67
Depreciation and Amortization Expense	26	220.69	247.51
Other Expenses	27	922.55	1,098.50
TOTAL		**10,870.23**	**12,591.90**
Profit before Exceptional Items and Tax		**401.58**	**303.22**
Exceptional Items		**-**	(70.90)
Profit Before Tax		**401.58**	**232.33**
Tax Expense			
Current Tax		166.39	150.92
Net reversal of Previous Year's taxes		(2.13)	(96.96)
Deferred Tax		32.35	5.69
Reversal of Excess Defferred Tax Liability		(78.20)	-
Profit before Minority Interest		**283.17**	**172.68**
Less: Minority Interest		**48.95**	**76.39**
Profit after Minority Interest		**234.22**	**90.60**
Earning per Share			
Basic (in ₹)		2.70	1.11
Diluted (in ₹)		2.00	0.82
The Notes form an integral part of these Consolidated Financial Statements	1 - 47		

In terms of our Report of even date attached

For R.S. Agrawala & Co
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : 05534

Camp: Secunderabad
Date: May 6, 2014

For and on behalf of the Board

KL Chugh – Chairman

Mahendra Agrawal - Founder & CEO

N.Srinvasan - Director

Sanjeev Jain - Director – Finance

VSN Raju - Company Secretary

(₹ in Million)

Particulars	31st March 2014	30th June 2013
(1) SHARE CAPITAL		
Authorised		
12,50,00,000 Equity Shares of Rs.2/- each	250.00	250.00
500,000 Redeemable Preference Shares of Rs.100/- each	50.00	50.00
	300.00	**300.00**
Issued,Subscribed and Paid-up :		
87,264,087 (Previous Year 86,582,287) Equity Shares of Rs.2/- each fully paid up	174.53	173.16

Terms/rights attached to equity shares

The Company has only one class of equity shares of par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Directors is subject to approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their share holding.

Reconciliation of the numbers of Shares outstanding

Particulars	31st March 2014		30th June 2013	
	No.of Shares	(₹ in Million)	No.of Shares	(₹ in Million)
Shares at the beginning of the period / year	86,582,287	173.16	86,582,287	173.16
Alloted under Employee Stock Option Scheme	681,800	1.36	-	-
Shares at the end of the period / year	**87,264,087**	**174.53**	**86,582,287**	**173.16**

Details of Shareholders holding more than 5% Shares

Company Name	31st March 2014		30th June 2013	
	No.of Shares	% of Holding	No.of Shares	% of Holding
TCI FINANCE LTD	7,724,350	8.85	12,724,350	14.70
MAHENDRA INVESTMENT ADVISORS PVT. LTD.	8,065,105	9.24	8,065,105	9.31
MANISH AGARWAL BENEFIT TRUST	-	-	4,500,000	5.20
DHRUV AGARWAL BENEFIT TRUST	-	-	4,500,000	5.20
RADHAKISHAN DAMANI	6,540,718	7.50	-	-
	22,330,173	**25.59**	**29,789,455**	34.41

Shares reserved for issue under options and contracts/commitments

I) 17,06,590 equity shares of Rs.2/- each are reserved under employee stock option scheme as on 31st March 2014 (Previous period 18,02,716). Of this 2,13,750 options, 5,83,227 options, 6,11,386 options and 2,98,227 options will vest in the year 2014-15, 2015-16, 2016-17 and 2017-18 respectively.

ii) On December 12, 2011, the Company issued 22,182 Foreign Currency Convertible Bonds of US$ 1,000 each for an amount of US$ 22.18 Mn. The Bonds are convertible pursuant to terms and conditions thereof, at any time on and after December 31, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares with full voting rights with a par value of Rs 2/- each.

Particulars	31st March 2014	30th June 2013
(2) RESERVES AND SURPLUS		
Capital Reserves		
As per last balance sheet	208.17	208.17
Add: Forfeiture of upfront money on options not exercised	0.22	-
Add: Created during the period (Note 28)	626.43	-
	834.82	**208.17**

Notes to the Consolidated Financial Statements

(₹ in Million)

Particulars	31st March 2014	30th June 2013
Special Reserve		
As per last balance sheet	5,058.27	-
Add: Excess of value of assets over value of liabilities on amalgamation	-	5,555.43
Less: Adjustments during the period/year (Note 28)	(800.55)	(497.16)
	4,257.72	**5,058.27**
Securities Premium Reserve		
As per last balance sheet	1,487.10	2,701.80
Addition during the period (i)	30.49	-
Amalgamation adjustment & others	-	(1,131.67)
Less : Deduction During the period/year (ii)	(64.37)	(83.03)
	1,453.22	**1,487.10**
Revaluation Reserve		
As per last balance sheet	59.57	59.60
Less : Transferred to Statement of Profit & Loss	(0.02)	(0.02)
	59.55	**59.58**
Share Option Outstanding Account		
As per last balance sheet	18.11	24.61
Additions during the period/year (iii)	15.12	5.46
Less: Transferred to Securities Premium Reserve (I)	(7.96)	-
Less: Deduction on cancellation of options not excercised (iii)	(4.74)	(11.95)
	20.53	**18.12**
Foreign Currency Translation Reserve		
As per last balance sheet	8.94	5.04
Add: Addition during the period/year	(2.86)	3.90
	6.08	**8.94**
Shipping Business Reserve(Utilized)		
As per last balance sheet	-	35.00
Less: Transferred to General Reserve	-	(35.00)
Tonnage Tax Reserve(Utilized)		
As per last balance sheet	92.91	92.91
	92.91	**92.91**
General Reserve		
As per last balance sheet	835.12	741.16
Add: Transferred from statement of profit and loss	57.46	58.96
Add: Transferred from Shipping Business Reserve(Utilized)	-	35.00
	892.58	**835.12**
Foreign Currency Monetary Item Translation Difference Account		
As per last balance sheet	(151.71)	(88.11)
Add: Provided during the period/year	(8.88)	(75.21)
Less: Amortised during the period/year	34.89	11.61
	(125.70)	**(151.71)**
Surplus as per Statement of Profit and Loss		
As per last balance sheet	80.45	170.01
Add: Profit for the period/year	234.22	96.29
Proposed Final Dividend	(161.08)	(51.95)
Tax on dividend	(33.99)	(25.98)
Amalgamation Adjustment	-	(48.98)
Transferred to General Reserve	(57.46)	(58.96)
	62.14	**80.43**
	7,553.85	**7,696.92**

(₹ in Million)

(I) On allotment of 6,81,800 shares under Employee Stock Option Scheme and transferred from Stock Option Outstanding account.

(ii) Provision for Pro-rata Premium on redemption of Foreign Currency Convertible Bonds.

(iii) In respect of options granted under the Companies Employees Stock Options Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options(based on market value of share on the date of grant of options minus the option price) is accounted as deferred employees compensation which is amortised on a straight line basis over the vesting period. Consequently employee benefit expenses includes credit of Rs.2.12 Mn (previous year credit of Rs. 4.91 Mn) being amortisation of deferred employee compensation after adjusting for reversal on account of options refunds/lapsed.

	31st March 2014	30th June 2013
(3) LONG TERM BORROWINGS		
Secured - Term Loans		
From Banks	1,194.03	1,196.28
From Others	76.63	96.88
Finance Lease - Ship	574.08	578.15
Unsecured		
Fixed deposits	320.00	192.97
Foreign Currency Convertible Bonds	1,333.13	1,324.25
	3,497.87	**3,388.53**
Less : Current Maturities of Long term borrowing (Note 9)	**(826.19)**	**(1,010.49)**
	2,671.68	**2,378.04**

Particulars of nature of security and terms of repayment		**Secured to the Extent**	
Nature of Security	**Terms of Repayment**	31st March 2014	30th June 2013
Secured Loans **From Banks**			
Property Situated at MG Road, Secunderabad and Pimpalas, Bhiwandi, Maharastra	Repayable in 4 Quarterly Installments of Rs 25 Mn and Rs 37.5 Mn each starting from August, 2013 and December, 2014 respectively after a initial holiday period of 1 year	129.52	100.00
Property situated at Samalka,Tehsil Vasant Vihar , New Delhi.	Repayable in 36 EMI starting from March, 2013	67.99	90.50
Property situated at Kondapur village, Ranga Reddy District.	Repayable in 16 Quarterly Installments of Rs 15.63 Mn each commencing from August, 2014 after initial Holiday period of 1 year	147.13	100.00
Property situated at Shamirpet, Ranga Reddy District.	Repayable in monthly installments	3.66	6.28
Property at Peenya, Bangalore. Subservient Charge on the current and fixed assets of the company with coverage up to 100% of the loan amount.	Initial term loan 50 CR. Repayable in 16 Quarterly Installments of Rs 31.25 Mn starting from June 2015 after a initial holiday period of 1 year,Initial term loan 250 Mn. Repayable in 8 Quarterly Installments of RS 31.25 Mn starting from Nov 2014 after a initial holiday period of 1 year	381.46	250.00
Exclusive charge on entire movable fixed assets, specifically on plant & machinary, computers, furniture and fixtures, office equipments.	Repayable in 23 Monthly Installments of RS 21.8 Mn starting from March 2013 after initial holiday period of 1 year	180.20	312.80
Primary Security :- Second Charge on Stocks, Book Debts and other current assets of the company. **Collateral Security :-** Property in SY.No, 1021 situated at Upparpally, H/o Shamirpet G.P., Ranga Reddy District. Property in SY.No,1022 situated at Upparpally, H/o Shamirpet G.P., Ranga Reddy District .	Repayment in 36 monthly installments starting from March 2012 to February 2015	7.30	12.55

(₹ in Million)

Particulars of nature of security and terms of repayment		Secured to the Extent	
Nature of Security	**Terms of Repayment**	31st March 2014	30th June 2013
Hypothecation of Trucks & Vehicles against individual loans	Repayable in monthly installments	101.99	130.96
Term loan is secured by second charge on the trade receivables and other current assets of the Company and is further secured by creation of charge on certain immovable properties.	Repayable in monthly installments	24.15	12.55
Loans are fully secured by hypothecation of specific vehicles against which loan is availed and corporate guarantee extended by Gati Limited.	Repayable in monthly installments	78.16	100.59
Loans are fully secured by hypothecation of specific vehicles against which loan is availed.	Repayable in monthly installments	33.10	40.45
Secured by mortgage of immovable property.	Repayable in 16 instalments starting from February 2014 , last installment due in May 2015.	39.38	39.59
From Others			
Loans are fully secured by hypothecation of specific vehicles against which loan is availed and corporate guarantee extended by Gati Limited	Repayable in monthly installments	17.61	29.86
Loans are fully secured by hypothecation of specific vehicles against which loan is availed.	Repayable in monthly installments	59.02	67.03
Finance Lease - Ship Secured by leased Ship namely Gati Pride.	Repayable in monthly installments	574.08	578.15
		1,844.75	**1,871.31**

	31st March 2014	30th June 2013
(4) DEFERRED TAX LIABILITIES		
Difference between books and tax depreciation	60.83	106.65
	60.83	**106.65**
(5) OTHER LONG TERM LIABILITIES		
Interest Accrued on Fixed Deposits	5.51	4.00
	5.51	**4.00**
(6) LONG TERM PROVISIONS		
Premium on redemption of Foreign Currency Convertible Bonds	186.33	121.95
	186.33	**121.95**
(7) SHORT TERM BORROWINGS		
Secured		
Working Capital Loans		
From Banks	1,304.33	1,361.73
Unsecured		
From Others	0.00	19.63
	1,304.33	**1,381.36**

(₹ in Million)

Other information pertaining to nature of security		
Secured Working Capital Loan from Banks		
Working capital loan is secured by first charge on entire current assets of the company present and future, on paripassu basis with other banks along with immovable properties situated at Bhiwandi (Maharastra), Verna Industrial Estate (Goa) and personal guarantee of Managing Director.	67.20	31.72
Working capital loan is secured by first charge on entire book debts of the company on pari passu basis with other banks along with immovable properties in Chennai and Portblair as colletral security.	70.38	48.68
Working Capital Loans secured by hypothecation of book debts and other current assets of the company on paripasu basis with all constorium banks as primary security along with immoveable properties as collateral. Personal Guarantee of Managing Director	1,058.25	1,183.75
Secured by hypothecation of specific vehicles of the Company and charge on the current assets along with the corporate guarantee extended by Gati Limited.	48.05	47.69
Working Capital Loan from Bank secured by first charge on entire current assets of the company and equitable mortgage of specified immovable assets as collateral	48.24	49.89
Primary Security : First and exclusive charge on all existing and future current assets and movable fixed asset of the company. Colleteral Security : First and exclusive charge by way of Equitable / registered Mortage of Flat no 35/15 Long Road, Shanthi nagar, Banglore.	12.21	-
	1,304.33	**1,361.73**
(8) TRADE PAYABLES		
Acceptance (a)	199.94	-
Other than Acceptances	532.39	662.90
	732.33	**662.90**
{(a) Under vendor financing/discounting arrangements with the company's bankers on payment of interest and furnishing of corporate guarantee by Gati Ltd.}		
(9) OTHER CURRENT LIABILITIES		
Current maturities of Long Term Borrowings (Note 3)		
From Banks	565.88	759.63
From Others	260.31	250.87
Other Liabilities		
- Statutory dues	52.87	100.86
- Security Deposit	106.08	100.26
- Others	268.06	231.26
- Unpaid/Unclaimed Dividend (Rs.0.47 Mn has been transferred to Investor Education and Protection Fund during the period)	4.30	9.64
	1,257.50	**1,452.52**
(10) SHORT TERM PROVISIONS		
Provision for Employee Benefits	61.56	58.86
Others		
Taxation	413.83	341.88
Proposed Final Dividend	161.08	51.95
Tax on Dividend	17.00	11.38
Expenses	-	0.10
Contingencies	-	7.47
(Includes Bad debts Written off Rs.4.90 Mn, Int Receivable Written off Rs.2.57 Mn)	**653.47**	**471.64**

(11) Fixed Assets

(₹ in Million)

Particulars	Gross Block				Depreciation				Net Carrying Value	
Description	As on July 01, 2013	Additions during the period	Deductions During the Period	Balance as on March 31, 2014	As on July 01, 2013	For the Period	Adjustment On Deductions	Total Depreciation	31st March 2014	30th June 2013
Tangible										
Land										
Freehold	566.36	0.13	15.32	551.17	-	-	-	-	551.17	566.36
Leasehold	103.38	-	-	103.38	-	-	-	-	103.38	103.38
Buildings	584.04	1.86	0.35	585.55	61.44	6.96	0.08	68.32	517.23	522.60
Vehicles	465.85	9.67	13.24	462.28	237.06	36.15	10.37	262.84	199.44	228.79
Plant & Equipments	882.93	9.95	32.76	860.12	360.29	53.06	22.59	390.76	469.36	522.64
Computers	372.01	46.46	0.05	418.42	305.18	18.32	0.03	323.47	94.95	66.83
Ships	1,354.28	0.00	-	1,354.28	343.69	20.28	-	363.96	990.31	1,010.59
Furniture & Fittings	235.33	12.61	0.01	247.93	117.70	11.92	0.01	129.61	118.32	117.63
Office Equipments	155.71	14.04	0.28	169.46	59.86	6.70	0.03	66.53	102.93	95.84
Leased Assets										
Assets taken on Finance Lease	761.85	32.14	-	793.99	137.84	24.27	-	162.12	631.88	624.01
Subtotal	**5,481.73**	**126.85**	**62.00**	**5,546.58**	**1,623.06**	**177.66**	**33.11**	**1,767.61**	**3,778.97**	**3,858.68**
Intangible										
Computer Software	159.34	10.39	-	169.72	146.58	8.16	-	154.74	14.98	12.76
Total	**5,641.07**	**137.23**	**62.00**	**5,716.31**	**1,769.64**	**185.82**	**33.11**	**1,922.35**	**3,793.95**	**3,871.43**
Previous Year	5,426.19	446.07	231.19	5,641.07	1,564.37	235.92	30.64	1,769.64	3,871.43	
Capital Work-in-Progress									387.07	242.53
								Total	**4,181.03**	**4,113.97**

a) A part of Land & Buldings were revalued on 31st December, 1997, 29th June, 1999, and 31st March, 2000 and the resultant increases in the value of assets by Rs.4.6 Mn, Rs.14.13 Mn and Rs.14.84 Mn respectively and aggregating to Rs.33.56 Mn was transferred to Revaluation Reserve.

b) Depreciation for the period includes Rs. 0.02 Mn in respect of above revaluations.

c) Additions to assets include Rs. 32.14 Mn (Previous year Rs. 18.08 Mn) on account of exchange rate difference pertaining to foreign currency loan.

(12) NON CURRENT INVESTMENTS		
Long Term Investment (At Cost)		
Non-Trade		
Fully Paid Equity Shares of Joint Stock Company		
Quoted		
1,600,300 of TCI Finance Ltd. of Rs.10/- each.	14.39	14.39
(Market Value - Rs.28.95 Mn ; previous year Rs. 39.13 Mn		
100 Shares of SBI of Rs. 100/- each	0.01	0.01
(Market Value - Rs. 0.19 Mn ; previous year - Rs 0.2 Mn)		
	14.40	**14.40**
Unquoted		
18,750,000 of Amrit Jal Ventures Pvt. Ltd. of Rs.10/- each.	187.50	187.50
(Pledged with Institution for providing Financial Assistance to Amrit Jal Ventures Pvt. Ltd)		
18,000 shares of ITAG Infrastructure Ltd. of Rs 10/- each	0.18	0.18
	187.68	**187.68**
Debentures		
34,57,236 14.5% Unsecured Optionally Convertible Debentures of Amrit Jal Ventures Pvt Ltd. of Rs.100/- each	345.72	-
(Issued during the period in repayment of Loan of an equivalent amount granted by Gati Limited in earlier year to Gati Infrastructure Private Limited on the terms of subscription , redemption or conversion and other conditions as per Investment Agreement dated 10th July 2013.)		
	547.80	**202.08**
(13) LONG TERM LOANS AND ADVANCES		
Considered Good		
Capital Advances	100.83	93.92
Advances and Rental Deposits	662.12	641.60
Earnest Money and Security Deposits	172.80	174.29
Other Deposits	348.94	526.23
Considered Doubtful		
Capital Advances	5.90	2.50
Less : Provision for doubtful Advances	(5.90)	(2.50)
Other Deposits	53.29	53.29
	1,337.98	**1,489.33**
(14) OTHER NON CURRENT ASSETS		
Pre-Operative Expenses	0.22	0.20
Deffered Emplyees Stock option Compensation	17.38	4.88
	17.60	**5.08**
(15) INVENTORIES		
(As taken, valued and certified by the Management)		
Stores and Spare Parts	86.45	87.06
Diesel Petrol etc	15.68	12.14
Trading Goods		
(At lower of cost and net realisable value)	16.96	19.15
	119.09	**118.35**
(16) TRADE RECEIVABLES (Unsecured)		
Outstanding for more than six months from due date		
Considered Good	256.42	218.78
Considered Doubtful	37.49	47.83
	293.91	266.61
Less : Provision for doubtful debts	(19.13)	(30.21)
	274.78	236.40
Others	2,139.44	1,966.42
	2,414.22	**2,202.82**

(₹ in Million)

(17) CASH AND BANK BALANCES		
Cash in Hand	37.33	21.52
Balances with Banks		
In Current Accounts	91.84	272.60
In Deposit Accounts	174.55	162.01
In Unpaid/Unclaimed Dividend Accounts	4.30	9.64
	308.02	**465.77**
(18) SHORT TERM LOANS AND ADVANCES		
Unsecured - Considered Good		
Prepaid Expenses	46.15	50.23
Cenvat Credit Receivable	31.25	21.99
Loans and Advances to Other Parties	695.25	1,018.88
Operational Advances	907.09	841.62
Advances to Employees	5.47	5.93
Interest Accrued	101.16	83.77
Tax Deducted at Source/Advance Tax	572.98	444.33
Others	19.59	20.32
Balance consideration receivable for Sale of Investments in Shares of Gati Ship Limited	-	48.00
	2,378.94	**2,535.07**
(In the opinion of the Board, all assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.)		
	(9 months ended) 31st March 2014	(12 months ended) 30th June 2013
(19) REVENUE FROM OPERATIONS		
Freight, Demurrage and Miscellaneous Charges	8,950.93	10,417.32
Warehousing, Logistics & Other Services	142.81	153.62
Shipping Freight, Charter Hire, Miscellaneous charges	209.47	240.47
Other Operating Income	70.17	162.49
Sale of Products	1,792.34	1,755.56
	11,165.72	**12,729.46**
(20) OTHER INCOME		
Rent	5.69	1.80
Profit on sale of Fixed Asset (Net)	13.20	4.86
Dividends	-	17.14
Interest	82.77	77.57
Difference in Exchange (Net)	-	44.02
Miscellaneous Income	4.43	20.28
	106.09	**165.67**
(21) PURCHASE OF STOCK-IN-TRADE		
Diesel, Petrol, Lubricants	1,462.63	1,644.86
Others	286.78	96.69
	1,749.41	**1,741.55**
(22) CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Opening Stock	31.30	16.60
Closing Stock	(32.63)	(44.15)
	(1.33)	**(27.55)**
(23) OPERATING EXPENSES		
Freight	5,367.76	6,329.24
Vehicles' trip Expenses	400.33	390.86
Tyres and Tubes	11.25	8.41
Warehouse Rent	58.72	47.82
Other Operating Expenses	640.93	753.13
Claims for Loss & Damages (Net)	52.39	70.88
Commission	2.10	2.98
Vehicles' taxes	4.60	7.02

Notes to the Consolidated Financial Statements

(₹ in Million)

	(9 months ended) 31st March 2014	(12 months ended) 30th June 2013
Vehicles' and ships Insurance	8.83	9.13
Power, Fuel and Water Expenses	61.62	110.97
Stores and Spare Parts Consumed	1.88	5.08
Transport and Warehousing	3.10	0.32
Port and Survey Expenses	13.50	122.99
	6,627.01	**7,858.83**
(24) EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	952.34	1,141.04
Gratuity	13.61	22.60
Contribution to Provident and Other Funds	33.29	41.45
Contribution to Employees' State Insurance	6.44	8.18
Other Expenses	21.25	23.12
	1,026.93	**1,236.39**
(25) FINANCE COSTS		
Interest	332.56	430.43
Other borrowing Costs	7.28	8.31
Less: Capitalised during the period/year	(14.87)	(2.07)
	324.97	**436.67**
(26) DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation for the year	185.82	235.92
Add: Amortization of foreign currency monetary item translation difference account	34.89	11.61
Deduct: Transfer from Fixed Asset to Revaluation Reserve	(0.02)	(0.02)
	220.69	**247.51**
(27) OTHER EXPENSES		
(A) ADMINISTRATIVE EXPENSES		
Rent	238.88	268.90
Rates and Taxes	13.16	6.88
Insurance	10.78	11.78
Telephone expenses	26.43	29.81
Printing and Stationery	26.09	27.31
Travelling Expenses	58.47	83.08
Legal Expenses	22.03	29.07
Advertisement Expenses	33.15	60.85
Office Maintenance and Repairs	114.88	145.72
Electricity Expenses	60.99	72.07
Remuneration to Directors	0.95	1.18
Commission to Non-Whole-time Directors	1.75	1.35
Remuneration to Auditors:		
Audit Fees	2.84	2.37
Tax Audit Fees	1.12	1.14
Bad Debts and irrecoverbale balances written off (Net) (a)	53.89	25.76
Differnces in Exchange (Net)	3.04	-
IT Network Expenses	24.64	33.36
Charity and Donations	6.28	5.23
Miscellaneous Expenses	148.45	204.12
	847.82	**1,009.96**
(a) Includes provision for doubtful debts Rs 6.37 Mn, (Previous year Rs. 15 Mn)		
(B) OTHER EXPENSES		
Motor Trucks	10.87	12.82
Other Vehicles	9.81	13.97
Plant and Equipments	6.07	7.85
Computers	33.01	31.43
Buildings	0.11	0.44
Ships	14.86	8.75
Dry docking expenses	-	13.28
	74.73	**88.54**
	922.55	**1,098.50**

(₹ in Million)

28. The Hon'ble Andhra Pradesh High Court, vide its order dated 19th March, 2013 approved the Scheme of Arrangement for amalgamation (The Scheme) between the erstwhile wholly owned subsidiaries namely Newatia Commercial & Trading Private Limited, Trymbak Commercial and Trading Private Ltd , Ocimum Commercial and Trading Private Limited, Sumeru Commercial and Trading Private Limited and Gati Express Distribution Limited (Transferor Companies) with Gati Limited (Transferee Company) with effect from 31st March, 2013, the appointed date.

The Scheme permits the Company to create a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities in the books of the transferee Company amounting to Rs.5,555.43 Mn which shall be utilized by the transferee Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc., as the Board of directors may deem fit .

In accordance with the Scheme

i) The loss of Rs.640 Mn on sale of investment in 40,00,000 Nos Equity shares of subsidiary Gati Ship Limited net of minority share of Rs.142.88 Mn was adjusted against Special Reserve in the year 2012-13.

ii) During the period, on professional advice, the Board of Directors have carried out the following further adjustments against Special Reserve, which is reflecting in the consolidated financial statements:

a) Irrecoverable advances to subsidiary Gati Ship Limited of Rs 626.43 Mn and balance consideration receivable for Sale of Investments in shares of subsidiary Gati Ship Limited of Rs.48 Mn have been adjusted against Special Reserve.

b) Irrecoverable other advances made in earlier years aggregating to Rs.126.11 Mn has been adjusted against Special Reserve.

c) All the above adjustments otherwise, required to be debited to the Statement of Profit and Loss and adjusted against Special Reserve are not in accordance with the Accounting Standard (AS) 13 'Accounting for Investments' and Accounting Standard (AS) 5 'Net Profit or Loss for the period, prior period items and changes in accounting policies'. Had the Scheme not prescribed the above accounting treatment the consolidated accounts would have reflected as follows:

(₹ in Million)

	Increase	Decrease
Statement of Profit and Loss:		
Profit before tax		800.5
Profit for the year		800.5
Balance Sheet:		
Special Reserve	800.5	800.5
Surplus in Statement of Profit or Loss		

29. The Opening Balance of Rs 7.47 Mn in the provision for contingencies account has been fully adjusted by Write off/Adjustments: (a) Interest Receivable - Rs.2.57 Mn (Previous year Rs.7.59 Mn) (b) Trade Receivables - Rs 4.90 Mn. (Previous year Rs. 35.32 Mn) .

30. Gati Limited has surplus land which it plans to dispose off in parcels over a period of two to three years as a continuous activity. Accordingly, the Company has been advised that the net profit of Rs.16.8 Mn on sale of land during the period (previous year Rs. 67.6 Mn) be considered as other operating income.

31 (a) The company has made investment in Share Capital of Rs. 352.27 Mn and has other receivables of Rs.26.38 Mn (Previous year Rs.4.06 Mn) . due from the subsidiary. Gati Kausar India Ltd. (Formerly known as Kausar India Ltd.) The net worth of the subsidiary has significantly eroded because of losses suffered from year to year. The business of Gati Kausar India Limited is the cold chain solutions which has a lot of potential. Gati Kausar India Limited has always been making cash profits and the losses are only on account of depreciation. The subsidiary will continue to have the required support from the holding company. The performance of the subsidiary is expected to improve in the near future. Under the circumstances no provision is considered necessary by the management at present for any diminution in the value of investments and also in respect of possible losses that may arise on account of other receivables from the subsidiary.

31 (b) The company has made investment in Share Capital of Rs. 3.62 Mn and has other receivables of Rs. 14.76 Mn (Previous Year Rs.13.55 Mn) . due from the subsidiary Zen Cargo Movers Pvt. Ltd. The net worth of the subsidiary has fully eroded because of losses suffered from year to year. The business of Zen Cargo is clearing agency business and is very closely related to the freight forwarding business of the parent company. The same is in the process of stabilization. The subsidiary will continue to have the required support from the holding company. The performance of the subsidiary is expected to improve in the near future. Under the circumstances no provision is considered necessary by the management at present for any diminution in the value of investments and also in respect of possible losses that may arise from other receivables from the subsidiary.

(₹ in Million)

32 (a) The step down overseas subsidiary, Gati Hong Kong Limited has capital deficiency, has incurred net loss of Rs. 7.18 Mn (HK$ 0.91 Mn) during the period and has total liabilities exceeding the total assets as at 31st March 2014 by Rs. 16.12 Mn (HK$ 2.09 Mn) which indicate the existence of a material uncertainty giving rise to significant doubt as the Company's ability to continue as a going concern. Shareholder of the subsidiary confirm to provide financial support. Accordingly, the financial statements do not include any adjustments relating to realization of the value of assets and to provide for any further liabilities that might be necessary should the Company be unable to continue its operations as going concern.

32 (b) The step down overseas subsidiary, Gati China Holdings Limited , has investment in its subsidiary which are higher than the subsidiary's net assets. However, in the Management's opinion in view of certain special measures being taken no impairment provision is required to be made.

33. In an earlier year Gati Limited has granted unsecured loan of Rs. 100 Mn to a body corporate which is outstanding as on 31st March 2014 along with interest receivable of Rs. 39 Mn. The net worth of the body corporate has fully eroded because of losses suffered from year to year. However, the management is confident of full recovery of the dues and interest receivable and therefore no provision is considered necessary for any possible losses that may arise in this behalf.

34. 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 Rs.125.69 Mn has been carried forward in the "Foreign Exchange Monetary Items Translation Difference Account" (FCMITDA). Consequently the net profit is lower by Rs. 26.01 Mn for the period ended 31st March 2014.

35. 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 Limited) due to continuous failure and defaults by NACIL. The matter was referred to arbitration of the Arbitral Tribunal appointed by the parties. The Arbitral tribunal passed an Award dated 17th September 2013, whereby, it has, inter alia, directed Air India Limited to pay an amount of Rs.268.2 Mn to the Company and to pay interest @18% per annum on the awarded amount. Air India has preferred an application before the Hon'ble Delhi High Court seeking setting aside of the Award and the matter is pending disposal. In the circumstances, the dues of Rs.265.9 Mn included in Loans and Advances, are considered good for recovery by the management.

36. Tax provision in these accounts has been made considering the working results for the period ended 31st March, 2014. The actual tax liability will be determined on the basis of tax accounting year from 1st April 2013 to 31st March, 2014. (Assessment Year 2014-15). Provision for Deferred tax liability for the period has been made and Deferred tax liability provided in earlier years now found in excess has been reversed.

37. The Board of Directors of the company has allotted the 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 period.

38. The Company has granted options under the Companies Employees Stock Options Scheme and 17,06,590 equity shares of Rs.2/- each are reserved under employee stock option scheme as on 31st March 2014 (Previous year 18,02,716). Of this 2,13,750 options, 5,83,227 options, 6,11,386 options and 2,98,227 options will vest in the year 2014-15, 2015-16, 2016-17 and 2017-18 respectively.

39. The Board of Directors of Gati Limited has allotted 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 principle amount on December 13, 2016 giving a Yield to Maturity of 5.76 percent per annum calculated on semi-annual basis.

40. 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 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.29.6 Mn in this respect. 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. 0.74 Mn with Reserve Bank of India, out of the compounding fee of Rs.29.6 Mn, which the Company has since deposited. The matter being subjudice and on the basis of written legal advice, the Company has not recognized the conversion notice from one of the bondholders in respect of the FCCBs.

41. Segment wise revenue, results and capital employed

Primary Business Segment

Express Distribution and Supply Chain: Covers Integrated cargo Services - Road Rail and Air Transportation

Shipping : Covers Sea Transportation

Fuel Stations : Covers Fuel Stations dealing in petrol, diesel and lubricants etc.

(₹ in Million)

Particulars	(9 months ended) 31st March 2014	(12 months ended) 30th June 2013
1. Segment Revenue (Net Sale / Income from each Segment)		
a) Express Distribution & Supply Chain	9,183.34	10,735.77
b) Shipping	191.53	240.47
c) Fuel Sales	1,492.68	1,670.76
d) Other Sales	306.34	90.67
Total	**11,173.89**	**12,737.67**
Less: Inter Segment Revenue	(8.17)	(8.22)
Net Sales / Income from Operations	**11,165.72**	**12,729.46**
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)		
a) Express Distribution & Supply Chain	788.33	879.22
b) Shipping	(87.35)	(164.55)
c) Fuel Sales	22.78	21.74
d) Other Sales	2.77	3.51
Total	**726.53**	**739.91**
Less: Interest Expenses	(324.98)	(436.67)
Total Profit before tax and Exceptional Items	**401.55**	**303.24**
3. Capital Employed		
Segment Assets		
a) Express Distribution & Supply Chain	10,507.93	10,461.38
b) Shipping	3,668.50	3,735.92
c) Fuel Stations	68.42	60.96
d) Unallocated/ Corporate/ Inter Segment	1,469.11	1,285.55
Total Assets	**15,713.96**	**15,543.81**
Segment Liabilities		
a) Express Distribution & Supply Chain	1,178.32	912.79
b) Shipping	61.68	114.70
c) Fuel Stations	8.01	13.37
d) Unallocated/ Corporate/ Inter Segment	6,797.14	6,692.43
Total Liability	**8,045.15**	**7,733.29**
Capital Employed	**7,668.81**	**7,810.52**

Particulars	(9 months ended) 31st March 2014	(12 months ended) 30th June 2013
Secondary Business Segment		
1. Segment Revenue (Net Sale / Income)		
a) India	10,980.22	12,329.73
b) international	220.93	485.88
Total	**11,201.15**	**12,815.60**
Less: Inter Segment Revenue	(35.43)	(86.14)
Net Sales / Income from Operations	**11,165.72**	**12,729.46**
2. Segment Results		
a) India	752.58	718.04
b) international	(26.05)	21.87
Total	**726.53**	**739.91**
Less: Interest	(324.98)	(436.67)
Total Profit before tax	**401.55**	**303.24**
3. Capital Employed Segment Assets		
a) India	14,181.13	14,234.11
b) International	144.45	173.50
c) Unallocated Corporate Assets	1,388.39	1,136.20
Total Assets	**15,713.97**	**15,543.81**
Segment Liabilities		
a) India	1,365.32	1,063.06
b) international	88.84	106.33
c) Unallocated Corporate Liabilities	6,590.99	6,563.90
Total Liability	**8,045.15**	**7,733.29**
Capital Employed	**7,668.82**	**7,810.52**

42. The Consolidated Financial Statements include result of all the subsidiaries of Gati Ltd.

Name of Subsidiary Company	Country of Origin	% of Share Holding	Consolidated as
Gati Asia Pacific Pte. Ltd.(GAP)	Singapore	100% held by Parent	Subsidiary
Gati Hong Kong Ltd.	Hong Kong	100% held by GAP	Subsidiary
Gati China Holdings Ltd.(GCHL)	Mauritius	100% held by GAP	Subsidiary
Gati Cargo Express (Shanghai) Co. Ltd.	China	100% held by GCHL	Subsidiary
Gati Cargo Malaysia SDN BHD	Malaysia	100% held by GAP	Subsidiary
Gati (Thailand) Co. Ltd	Thailand	49% held by GAP	Subsidiary
Gati-Kintetsu Express Pvt. Ltd.	India	70% held by Parent	Subsidiary
Gati Kausar India Ltd.	India	99.82% held by Parent	Subsidiary
Gati Import Export Trading Ltd.	India	100% held by Parent	Subsidiary
Zen Cargo Movers Pvt. Ltd.	India	100% held by Parent	Subsidiary
Gati Ship Ltd	India	60% held by Parent	Subsidiary
Gati Logistics Parks Private Ltd	India	100% held by Parent	Subsidiary
Gati Projects Private Ltd.	India	100% held by Parent	Subsidiary

1) The accounts of the Subsidiary Companies have been audited by the respective statutory auditors and the financial statements of these Companies have been considered in the consolidation.

2) The Consolidated Financial Statements have been prepared on the following principles.

a) In respect of subsidiary company, the financial statements have been consolidated on line by line basis by adding together the book values of like items of Assets, Liabilities, Income and expenditure, after fully eliminating intra-group balances and intragroup transactions resulting in unrealized profits/losses, as per Accounting Standard 21 "Consolidated Financial statement", notified by Companies (Accounting Standards) Rules, 2006.

b) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at the average rate prevailing during the period. All the assets and liabilities are converted at the rate prevailing at the end of the period. Any exchange difference arising on consolidation is recognized in the "Translation reserve".

c) The excess of cost to the company of its investment in Subsidiary and Associate is recognized in the financial statement as Goodwill, which is tested for impairment on every Balance Sheet date. The excess of company's share of equity and reserves of the Subsidiary and Associate companies over the cost of acquisition is treated as Capital Reserve.

d) Minority's share of assets, liabilities, related reserves and profit/loss during the period have been consolidated together and has been shown under Minority interest with corresponding deduction from the respective line items of financials.

43. Particulars	31st March 2014	30th June 2013
(a) Contingent Liability not provided for in respect of		
Bank Guarantees	121.18	127.28
Guarantees and Counter Guarantees outstanding	1,379.66	1,913.50
Estimated amount of contracts remaining to be executed on capital account and not provided for	34.46	27.21
(b) Earning per share		
(I) Net profit after tax available for equity shareholders - for Basic and Diluted EPS	234.19	96.30
(ii)Weighted average no. of ordinary shares for Basic EPS (Nos.)	86,685,141	86,582,287
Add : Adjustments for foreign currency convertible bonds and stock options (Nos.)	30,356,824	30,173,726
Weighted average no. of ordinary shares for Diluted EPS (Nos.)	**117,041,965**	**116,756,013**
(iii) Nominal value of Ordinary Shares (Rs.)	2.00	2.00
(iv) Basic Earning per Ordinary Share (Rs.)	2.70	1.11
(v) Diluted Earning per Ordinary Share (Rs.)	2.00	0.82

(C) The Company has taken a ship on finance lease during the financial year 2008-09 and accordingly as per AS-19, the asset has been capitalized with corresponding Liability.
The future lease payment obligation and their present value as at 31st March 2014 are as follows:

(₹ in Million)

Lease payments	2013-14 (31st March 2014)		2012-13 (30th June 2013)	
	Lease payments obligations	Present value of lease payments	Lease payments obligations	Present value of lease payments
Repayable in less than 1 year	120.65	106.77	119.50	105.75
1 year to 5 years	758.31	467.31	543.14	345.89
More than 5 years	-	-	297.63	126.51
Total	**878.96**	**574.08**	**960.27**	**578.15**

44. Related Party Disclosures

Related parties with whom transactions have taken place during the period

i Directors / Key Management Personnel:

Mr. Mahendra Agarwal (Managing Director & CEO)

Mr. Sanjeev Kumar Jain (Director Finance)

ii Relative of Key Management Personnel:

Mr. Anand Kumar Agarwal (Brother of Mr. Mahendra Agarwal)

Mr. Dhruv Agarwal (Son of Mr. Mahendra Agarwal)

Mr. Manish Agarwal (Son of Mr. Mahendra Agarwal)

iii Associates

1. Gati Intellect Systems Ltd.
2. TCI Finance Ltd.
3. Giri Roadlines & Commercial Trading Pvt. Ltd.
4. Jubilee Commercials & Trading Pvt. Ltd.
5. Gati Shipping Ltd.
6. Gati Cargo Management Services Ltd.
7. TCI Hi-ways Pvt. Ltd.
8. TCI Industries Ltd.
9. Mahendra Kumar Agarwal & Sons (HUF)
10. ITAG Infrastructure Ltd.
11. ITAG Business Solutions Ltd.
12. Gati (Thailand) Ltd.
13. Mahendra Investment Advisors Pvt.Ltd.
14. Amrit Jal Ventures Pvt. Ltd.
15. Coast to Coast Shipping Limited
16. Gati Academy

(₹ in Million)

SL	Nature of Transaction	KMP & Relative of KMP	Associates	31st March 2014	30th June 2013
A	**Expenditure**				
	Rent		4.77	4.77	5.75
	Freight and Other Charges		71.96	71.96	5.12
	Port Expenses		1.48	1.48	7.23
	Interest				
B	**Key Management Personnel**				
	Remuneration	34.83		34.83	37.08
	Revenue				
	Freight and Other Charges		0.76	0.76	0.06
	Interest		45.59	45.59	
	Rent		4.50	4.50	
C	**Finance and Investment**				
	Investments made		345.72	345.72	
	Advances - Given				21.41
	Advances - Repaid				18.20
D	**Balance at the year end**				
	Investments		547.79	547.79	202.07
	Sundry Debtors		1.00	1.00	14.71
	Loans				
	Advances		150.29	150.29	153.08
	Sundry Creditors		5.15	5.15	27.38
	Deposits and Advances		78.97	78.97	16.13
	Corporate Guarantees				9.58

(₹ in Million)

45. Additional Information	31st March 2014	30th June 2013
I. Value of imported and indigenous spare parts consumed during the period	**Value**	**Value**
Imported	1.37	1.99
Indigenous	7.28	3.09
	8.65	**5.08**
II. Expenditure in Foreign Currency		
Travelling Expenses	8.58	14.23
Freight Expenses	28.32	-
Insurance	3.26	4.19
Port Expenses	21.14	42.11
Charter Hire	57.42	82.06
Dry docking expenses and Repairs	-	9.92
Miscellaneous	-	8.17
III. Value of imports on C.I.F basis		
Spare parts	1.37	1.99
IV. Earnings in Foreign Currency		
Interest	0.58	-
Freight	114.74	141.37

46. The Financial Results cover a period of nine months ended 31st March 2014 and the company would close the accounts on 31st March each year. The figures for the current period are therefore not comparable with those of the previous year.Figures of the previous year have been regrouped /reclassified wherever necessary.

47. Significant Accounting Policies:

Recognition of Income & Expenditure

a) Income and expenditure are generally recognized on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.

b) In Express Distribution & Supply Chain, Freight Income is accounted when goods are delivered by the Company to customers. In Shipping, Freight Income is accounted when ships sail.

c) Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.

d) Having regard to the size of operations and the nature and complexities of the company's business, freight received/ paid in advance is accounted as income/expenses on payment and interdivisional transfers are eliminated.

e) Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved

Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation The Principal assumption used in determining gratuity and leave encashment for the company's plan are shown below:

Particulars	31st March 2014	30th June 2013
Discount Rate	9%	9%
Future Salary Increase	8%	8%
Employee Turnover	7%	7%
Average Balance Service (For Gratuity)	24.92 Years	24.41 Years

Provident Fund

Provident fund contribution is remitted to appropriate authority.

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

a) Fixed assets are stated at cost and / or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.

b) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from revaluation reserve created on revaluation of Fixed Assets to Statement of Profit and Loss.

Depreciation

Depreciation is provided on straight line method at rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction.

Individual assets costing upto Rs.5,000/- are depreciated fully in the year of acquisition.

Investments

Investments are stated at cost or at the fair values

Inventories

Petroleum products are valued at lower of cost and net realisable value.

Foreign Exchange Transaction

a) Foreign currency transactions are recorded at average rate for the month.

b) Monetary items in foreign currency at the year end are converted in Indian currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset

ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance life of the long-term monetary item, not beyond 31 March 2020.

c) Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit & Loss .

d) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

Taxation

Income Tax

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognised in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount.

Signatures to Notes "1" to "47"

In terms of our Report of even date attached

For R.S. Agrawala & Co
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : 05534

Camp: Secunderabad
Date: May 6, 2014

For and on behalf of the Board

KL Chugh – Chairman

Mahendra Agrawal - Founder & CEO

N.Srinvasan - Director

Sanjeev Jain - Director – Finance

VSN Raju - Company Secretary

Cash Flow Statement For The Nine Months Period Ended March 31, 2014

(₹ in Million)

Particulars	31st March 2014	30th June 2013
(I) Cash flows from Operating Activities		
Net Profit/ (Loss) After Tax	283.14	172.69
Add :		
Provision for tax	118.41	59.66
Exceptional Item	-	70.90
Net profit before taxation and exceptional items	401.55	303.24
Adjustment for Non-Cash and Non-Operating Items.		
Depreciation	220.70	247.50
Interest on borrowings (Net)	324.98	436.67
(Profit) / Loss on sale of fixed assets (Net)	(13.20)	(4.86)
Interest Income	(82.77)	(77.57)
Dividend Income	-	(17.14)
Rental income received	(5.69)	(1.80)
Operating profits before working capital changes	**845.57**	**886.05**
(Increase) / Decrease in Sundry debtors (Net of Bad debts)	(211.41)	(312.73)
(Increase) / Decrease in Inventories	(0.73)	(10.44)
(Increase) / Decrease in Loans & Advances	(204.79)	(864.74)
(Increase) / Decrease in Other current assets	(4.77)	(4.50)
(Increase) / (Decrease) in Short Term Borrowings	(77.03)	6.85
(Increase) / (Decrease) in Trade Payables	68.78	(7.16)
(Increase) / (Decrease) in Other Liabilities	(9.18)	175.23
(Increase) / (Decrease) in Provisions	(4.87)	(77.53)
Cash generated from operations	**401.57**	**(208.99)**
(Income tax paid) Net tax refund received)	(92.31)	(50.46)
Net Cash from Operating Activities	**309.27**	**(259.45)**
(II) Cash Flow from Investing Activities		
(Increase) / Decrease in Capital WIP	(142.47)	(85.99)
(Increase) / Decrease in Capital Advances (Net)	(6.91)	116.81
Interest received	82.77	77.57
Dividend Income	-	17.14
Rent income	5.69	1.80
(Purchase) / Sale of Fixed Assets (Net)	(95.15)	(311.77)
Net Cash from Investing Activities	**(156.06)**	**(184.45)**
(III) Cash Flow from Financing Activities		
Issue of Share Capital	1.36	-
Increase / (Decrease) in Share premium	22.53	-
FD Receipts	127.03	4.22
Net receipt of Secured Loans	(26.58)	75.76
Repayment of Unsecured Loans	-	(9.12)
Dividend Paid (including dividend tax)	(110.32)	(125.29)
Interest on loans paid	(324.98)	(436.67)
Net Cash from Financing Activities	**(310.96)**	**(491.10)**
Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	**(157.75)**	**(935.00)**
Cash and Cash equivalents at the beginning of the period/year	465.77	1,400.76
Cash and Cash equivalents at the end of the period/year	308.02	465.77
Cash flow from activities during the period/year	**(157.75)**	**(935.00)**

Cash Flow Statement For The Nine Months Period Ended March 31, 2014

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India.

2. Previous year figures have been regrouped / reclassified, where ever necessary.

In terms of our Report of even date attached

For R.S. Agrawala & Co
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : 05534

Camp: Secunderabad
Date: May 6, 2014

For and on behalf of the Board

KL Chugh – Chairman

Mahendra Agrawal - Founder & CEO

N.Srinvasan - Director

Sanjeev Jain - Director – Finance

VSN Raju - Company Secretary

Independent Auditors' Report

To the Board of Directors of Gati Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Gati Limited (the Company) and its subsidiaries collectively called the 'Group', which comprise the Consolidated Balance Sheet as at June 30, 2013, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

To the best of our information and according to the explanations given to us and based on consideration of the reports of other auditors on separate financial statements / consolidated financial statements of the components, we are of the opinion that the attached Consolidated Financial Statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of Consolidated Balance Sheet of the state of affairs of the Group as at June 30, 2013

b) In the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

c) In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date

Emphasis of matters:

We draw attention to the following notes:

(a) Note 30 of the consolidated financial statements regarding the scheme of arrangement for amalgamation (the Scheme) sanctioned by the Hon'ble Andhra Pradesh High Court by its order dated March 19th, 2013. The Scheme permits Gati Limited to create a capital reserve to be called special reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation amounting to ₹ 555.54 Crores to be utilized to adjust therefrom any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of Directors may deem fit. Accordingly the loss of ₹ 64 Crores on sale of investment in 40 lakh equity shares of the Subsidiary Gati Ship Limited required to be debited to the statement of Profit and Loss has been adjusted against Special Reserve which is not in accordance with Accounting Standard (AS) 13 'Accounting for Investments'. This has resulted in the profit before tax and profit after tax for the year being higher by ₹ 64 Crores and ₹ 63.50 Crores respectively.

(b) Note 32A of the consolidated financial statements regarding non provision against investments and other receivables from the subsidiary Gati Kausar India Limited amounting to ₹ 3522.46 lakhs and ₹ 40.61 lakhs respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.

(c) Note 32B of the consolidated financial statements regarding non provision against investments and other receivables from the subsidiary Zen Cargo Movers Private Limited amounting to ₹ 36.22 lakhs and ₹ 135.55 lakhs respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.

(d) Note 33 of the consolidated financial statements regarding the auditors' report dated July 30th, 2013 in respect of the subsidiary Gati Asia Pacific PTE Ltd, Singapore contains, without being qualified, emphasis of matter that although the Company's subsidiaries collective current liabilities exceeded the current assets, and the accumulated losses exceeded the paid up capital and/or reserves, by ₹ 4.29 crores/S$911,863 (2012: S$738,438) and ₹ 4.25 crores/S$902,547 (2012:S$723,329) respectively as at June 30th, 2013, the financial statements have been prepared on the basis that the Company's subsidiaries are going concerns as the holding company has given written confirmation of its continuing financial support for its subsidiaries. If the financial support is not forthcoming and as a result, the Group is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that the assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the Balance sheets.

(e) Note 36 of the consolidated financial statements regarding dues of ₹ 26.60 crores from National Aviation Company India Ltd. (now Air India Ltd.) and legal expenses ₹ 1.02 Crores included in Short term loans & advances disputes in respect of which have been referred for arbitration before the Arbitral Tribunal. In the opinion of the management no provision is necessary in this behalf considering the pendency of the matter before the Arbitral Tribunal, the legal advice received by Gati Limited and the outcome of which can not presently be determined.

Our opinion is not qualified in respect of these matters.

Other Matters:

We did not audit the financial statements of nine subsidiaries (including 5 overseas subsidiary), whose financial statements reflect total assets (net) of ₹ 11.78 crores as at June 30, 2013, total revenues of ₹ 99.17 crores and net cash inflows amounting to ₹ 1.62 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors in the respective countries whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on those reports.

Our opinion is not qualified in respect of these matters.

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No. 304045E

(R.S. Agarwala)
Partner
Membership No. F-5534

Camp: Secunderabad
Date : July 31st, 2013

Consolidated Balance Sheet as at 30th June 2013

(₹ in Million)

Particulars	Note	30th June 2013	30th June 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	173.16	173.16
Reserves and Surplus	2	7,696.92	3,950.16
		7,870.08	**4,123.32**
Minority Interest		**1,154.21**	**536.68**
Non-Current Liabilities			
Long Term Borrowings	3	2,378.05	2,640.79
Deferred Tax Liabilities (Net)	4	106.65	100.96
Other Long Term Liabilities	5	4.00	6.46
Long Term Provisions	6	121.95	39.73
		2,610.65	**2,787.94**
Current Liabilities			
Short Term Borrowings	7	1,381.36	1,374.51
Trade Payables	8	662.90	670.07
Other Current Liabilities	9	1,452.52	866.00
Short Term Provisions	10	471.64	593.04
		3,968.42	**3,503.62**
Total		**15,603.36**	**10,951.56**
ASSETS			
Non - Current Assets			
Fixed Assets	11		
Tangible Assets		3,858.68	3,840.68
Intangible Assets		12.76	21.14
Capital Work in Progress		242.53	156.54
Goodwill on Consolidation		4,468.82	101.22
Non-Current Investments	12	202.08	202.08
Long Term Loans and Advances	13	1,491.40	1,402.30
Other Non-Current Assets	14	5.08	6.55
		10,281.35	**5,730.51**
Current Assets			
Inventories	15	118.35	107.91
Trade Receivables	16	2,202.82	1,890.08
Cash & Bank Balances	17	465.77	1,400.77
Short Term Loans and Advances	18	2,516.23	1,809.41
Other Current Assets	19	18.84	12.88
		5,322.01	**5,221.05**
Total		**15,603.36**	**10,951.56**
The Notes form an integral part of these Consolidated Financial Statements	1 - 48		

In terms of our Report of even date

For R. S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No.: 005534

Secunderabad
July 31, 2013

For and on behalf of the Board

Sanjeev Jain
Director-Finance

K.L. Chugh
Chairman

Mahendra Agarwal
Founder & CEO

VSN Raju
Company Secretary

N.Srinivasan
Director

Consolidated Statement of Profit and Loss for the year ended 30th June 2013

(₹ in Million)

Particulars	Note	30th June 2013	30th June 2012
REVENUE			
Revenue from Operations	20	12,729.46	11,874.11
Other Income	21	165.67	1,016.64
Total		**12,895.13**	**12,890.75**
EXPENSES			
Purchase of Stock in Trade	22	1,741.55	1,796.60
Change in Inventories of Stock-in-trade	23	(27.55)	0.17
Operating Expenses	24	7,858.83	7,102.82
Employee Benefits Expenses	25	1,236.39	1,135.94
Finance Costs	26	436.67	619.21
Depreciation and Amortization Expenses	27	247.51	369.58
Other Expenses	28	1,098.50	1,053.70
Total		**12,591.90**	**12,078.02**
Profit before Exceptional Items and Tax		**303.23**	**812.73**
Exceptional Items	31	**(70.90)**	**(145.29)**
Profit before extraordinary items and Tax		**232.33**	**667.44**
Tax Expense			
Current Tax		150.92	255.24
Taxes for Earlier Years		(96.96)	
Deferred Tax		5.69	(2.66)
MAT credit		-	(0.20)
Profit before Minority Interest		**172.68**	**415.06**
Less: Minority Interest		**76.39**	**0.50**
Profit after Minority Interest		**96.29**	**414.56**
Earning per Share (Rupees)			
Basic		1.11	4.80
Diluted		0.82	3.56
The Notes form an integral part of these Consolidated Financial Statements	**1-48**		

In terms of our Report of even date

For and on behalf of the Board

For R. S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No. : 304045E

Sanjeev Jain
Director-Finance

K.L. Chugh
Chairman

Mahendra Agarwal
Founder & CEO

R. S. Agarwala
Partner
Membership No.: 005534

VSN Raju
Company Secretary

N.Srinivasan
Director

Secunderabad
July 31, 2013

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
(I)	**SHARE CAPITAL**		
	Authorised		
	12,50,00,000 Equity Shares of ₹ 2/- each	250.00	250.00
	500,000 Redeemable Preference Shares of ₹ 100/- each	50.00	50.00
		300.00	**300.00**
	Issued,Subscribed and Paid-up :		
	86,582,287 Equity Shares of ₹ 2/- each fully paid up	173.16	173.16

Terms/rights attached to equity shares

The Company has only one class of equity shares of par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Directors is subject to approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their share holding.

Reconciliation of the number of Shares outstanding

Particulars	30th June 2013		30th June 2012	
	No.of Shares	Amount	No.of Shares	Amount
Shares at the beginning of the year	**86,582,287**	**173.16**	**86,004,900**	**172.01**
Allotted under Employee Stock Option Scheme			577,387	1.15
Shares at the end of the year	**86,582,287**	**173.16**	**86,582,287**	**173.16**

Details of shareholders holding more than 5 % shares

Name of Share Holders	30th June 2013		30th June 2012	
	No.of Shares Held	% of Holding	No.of Shares Held	% of Holding
TCI FINANCE LTD	12,724,350	14.70	13,324,350	15.39
MAHENDRA INVESTMENT ADVISORS PVT LTD	8,065,105	9.31	8,065,105	9.31
MANISH AGARWAL BENEFIT TRUST	4,500,000	5.20	4,500,000	5.20
DHRUV AGARWAL BENEFIT TRUST	4,500,000	5.20	4,342,000	5.01
	29,789,455	**34.41**	**30,231,455**	**34.91**

Shares reserved for issue under options and contracts/commitments.

i) 18,02,716 equity shares of ₹ 2/- each are reserved under employee stock option scheme as on June 30, 2013 (Previous year 19,48,141). Of this 10,84,216 options, 2,15,550 options, 2,87,400 options and 2,15,550 options will vest in the year 2013-14, 2014 15, 2015-16 and 2016-17 respectively.

ii) On December 12, 2011, the Company issued 22,182 Foreign Currency Convertible Bonds of US$ 1,000 each for an amount of US$ 22,182,000. The Bonds are convertible at any time on and after December 31, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares with full voting rights with a par value of ₹ 2/- each at an initial conversion price of ₹ 38.51 per share with a fixed rate of exchange on conversion of ₹ 52.2285 to US$.

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
(2)	**RESERVES AND SURPLUS**		
	Revaluation Reserve		
	As per last balance sheet	59.60	68.94
	Less: Transferred as per Business Transfer Agreement	-	(9.25)
	Less: Transferred to Statement of Profit & Loss	(0.02)	(0.10)
		59.57	**59.60**
	Securities Premium Account		
	As per last balance sheet	2,701.80	1,731.32
	Amalgamation Adjustment & Others (i)	(1,131.67)	-
	Additions during the year	-	1,157.49
	Less: Deduction During the year (ii)	(83.03)	(187.01)
		1,487.10	**2,701.80**
	Share option Outstanding Account		
	As per last balance sheet	24.61	39.15
	Additions during the year (iii)	5.46	1.74
	Less: Deduction on cancellation of option not excercised (iii)	(11.95)	(9.54)
	Transferred to Securities Premium Account	-	(6.74)
		18.11	**24.61**
	Translation Reserve		
	As per last balance sheet	5.04	18.18
	Add: Addition during the year	3.90	-
	Less: Deduction during the year	-	(13.14)
		8.94	**5.04**
	Special Reserve		
	Add: Excess of value of assets over value of liabilities on amalgamation (Note: 30)	5,555.43	-
	Less: Loss on sale of shares in Gati Ship Limited of ₹ 640 Mn.	(497.16)	-
	(Net off Minority Adjustment) (Refer Note: 30)	**5,058.27**	**-**
	Other Capital Reserves		
	As per last balance sheet	208.17	43.97
	Add: Forfeiture of Share Application/Convertible Warrants	-	164.19
		208.17	**208.17**
	General Reserve		
	As per last balance sheet	741.16	669.16
	Add: Transferred from statement of profit and loss	58.96	72.00
	Add: Transferred from statement of Shipping Business Reserve (Utilized)	35.00	-
		835.12	**741.16**
	Shipping Business Reserve (Utilized)		
	As per last balance sheet	35.00	35.00
	Less: Transferred to General Reserve	(35.00)	-
		-	**35.00**
	Tonnage Tax Reserve (Utilized)		
	As per last balance sheet	92.91	92.91
	Less: Adjusted during the year	-	(0.00)
		92.91	**92.91**
	Foreign Currency Monetary Item Translation Difference Account		
	As per last balance sheet	(88.11)	-
	Add: Exchange loss during the year	(75.21)	(183.37)
	Less: Amortised during the year	11.61	95.27
		(151.71)	**(88.11)**
	Surplus as per Statement of Profit and Loss		
	As per last balance sheet	170.01	(62.37)
	Add: Profit for the year	96.29	415.06
	Less: Interim Dividend	-	(51.95)

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
	Proposed Final Dividend	(51.95)	(43.29)
	Tax on dividend	(25.98)	(15.45)
	Amalgamation Adjustment	(48.98)	-
	Transferred to General Reserve	(58.96)	(72.00)
		80.44	**170.00**
		7,696.92	**3,950.16**
	(i) Includes the security premium adjustment INR 1,248.52 Mn. pursuant to the scheme of amalgamation. (ii) Represents expenditure incurred on FCCB issue in the year 2011-12 ₹ 0.8 Mn. and provision for pro-rata premium on redemption of FCCB ₹ 82.22 Mn. (iii) In respect of options granted under the Companies Employees Stock Options Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options(based on market value of share on the date of grant of options minus the option price) is accounted as deferred employees compensation which is amortised on a straight line basis over the vesting period. Consequently salaries and bonus includes credit of ₹ 4.91 Mn. (previous year credit of ₹ 4.98 Mn.) being amortisation of deferred employee compensation after adjusting for reversal on account of options lapsed/refunds.		
(3)	**LONG TERM BORROWINGS**		
	Secured - Term Loans		
	From Banks	1,196.28	1,044.21
	From Others	96.88	230.08
	Finance Lease - Ship	578.15	521.27
	Unsecured		
	From Others	-	9.12
	Fixed Deposits	192.97	188.75
	Foreign Currency Convertible Bonds	1,324.25	1,249.05
		3,388.54	**3,242.47**
	Less: Current Maturities of Long term borrowing (Note 9)	1,010.49	601.68
		2,378.05	**2,640.79**
	Other Information Pertaining to Nature of Security		

	Particulars of Nature of Security	Security to the Extent	
		30th June 2013	30th June 2012
	Secured Loans		
	From Banks		
	Property situated at MG Road, Secunderabad	100.00	84.84
	Property situated at Samalka, Tehsil Vasant Vihar, New Delhi.	90.50	
	Property situated at Kondapur village, Ranga Reddy District.	100.00	
	Property situated at Shamirpet, Ranga Reddy District.	6.28	
	Secured by mortgage of commercial property and residential flat.	39.59	
	Property at Peenya, Bangalore, Subservient Charge on the current & fixed assets of the company with coverage up to 50% of the loan amount	250.00	500.00
	Primary Security: Second Charge on Stocks, Book Debts and other current assets of the company. **Collateral Security:** Property situated at Shamirpet G.P., Ranga Reddy District belonging to M/s Gati Limited.	12.55	-
	Term loan secured by second charge on the trade receivables and other current assets of the Company and is further secured by creation of charge on certain immovable properties belonging to Gati Limited as collateral security and corporate guarantee given by Gati Limited.	12.55	
	Secured by leased Ship namely Gati Pride	578.15	
	Exclusive Charge on entire movable fixed assets, specifically on plant & mechinery Computers, Furniture & Fixtures, office equipments	312.80	400.00
	Hypothecation of Trucks and Vehicles	272.00	36.81
	From Others		
	Loans-fully secured by hypothecation of specific vehicles against which loan is availed.	76.53	
	Trucks and Vehicles acquired against Individual Loan	20.35	30.88
		1,871.32	**1,052.53**

(₹ in Million)

(4)	**DEFERRED TAX LIABILITY**		
	Difference between book and tax depreciation	106.65	100.96
		106.65	**100.96**
(5)	**OTHER LONG TERM LIABILITIES**		
	Interest Accrued	4.00	6.46
		4.00	**6.46**
(6)	**LONG TERM PROVISIONS**		
	Premium on redemption of Foreign Currency Convertible Bonds	121.95	39.73
		121.95	**39.73**
(7)	**SHORT TERM BORROWINGS**		
	Secured		
	Working Capital Loans		
	From Banks	1,361.73	1,253.46
	Short term Loans		
	From Banks	-	75.00
	Unsecured		
	From Others	19.63	46.05
		1,381.36	**1,374.51**
	Other Information Pertaining to Nature of Security		
	Particulars of Nature of Security	Security to the Extent	
		30th June 2013	30th June 2012
	Secured Working Capital Loan from Bank		
	Working Capital Loan is Secured by first charge on entire current assets of the company present and future, on pari passu basis with other banks along with immovable property situated at Bhiwandi, Maharastra and Personal Guarantee of Managing Director.	31.72	1,253.46
	Working Capital Loan is secured by first charge on entire Book debts of the company on pari passu basis with other Banks along with immovable properties in Chennai as collateral security.	48.68	
	Working Capital Loans secured by hypothecation of book debts and other current assets of the company on paripasu basis with all constorium banks as primary security along with immoveable properties as collateral.	1,183.75	
	Secured by hypothecation of specific vehicles of the Company and charge on the current assets along with the corporate guarantee extended by Gati Limited.	47.69	
	Working Capital Loan from Bank secured by first charge on entire current assets of the company and equitable mortgage of specified immovable assets as collateral.	49.89	
	Secured Term Loans from Banks		
	Secured by a property at Samalkha, New Delhi		75.00
		1361.73	**1328.46**
(8)	**TRADE PAYABLES**		
	Other than acceptance	662.90	670.07
		662.90	**670.07**
(9)	**OTHER CURRENT LIABILITIES**		
	Current maturities of Long Term Borrowings (Note: 3)		
	From Banks	759.63	336.44
	From Others	250.87	265.24
	Other Liabilities		
	- Statutory dues	100.86	95.85
	- Salary Payable	-	0.69
	- Security Deposit	100.26	64.16
	- Others	231.26	95.60
	- Unpaid/Unclaimed Dividend	9.64	8.02
		1,452.52	**866.00**
(10)	**SHORT TERM PROVISIONS**		
	Provision for Employee Benefits	58.86	43.36
	Others		
	Taxation	341.88	338.38
	Interim Dividend	-	51.95
	Proposed Final Dividend	51.95	43.29
	Tax on Dividend	11.38	15.45
	Expenses	0.10	0.61
	Contingencies (Note: 34)	7.47	100.00
		471.64	**593.04**

(11) FIXED ASSETS

(₹ in Million)

Description	Gross Block				Depreciation				Net Carrying Value	
	As at 1st July 2012	Additions During the Year	Deductions During the Year	Balance As on 30th June 2013	As On 1st July 2012	For the Year	Adjustment On Deductions	Balance As On 30th June 2013	30th June 2013	30th June 2012
Tangible										
Land	-	-	-	-	-	-	-	-	-	-
Freehold	578.11	-	11.75	566.36	-	-	-	-	566.36	578.11
Leasehold	103.38	-	-	103.38	-	-	-	-	103.38	103.38
Buildings	566.09	19.33	1.38	584.04	52.05	9.54	0.15	61.44	522.60	514.05
Vehicles	316.04	162.17	12.36	465.85	192.90	48.92	4.76	237.06	228.79	123.14
Plant & Equipments	747.93	162.64	27.64	882.93	314.31	69.97	23.99	360.29	522.64	433.62
Computers	336.99	35.49	0.47	372.01	281.80	22.17	(1.21)	305.18	65.83	55.19
Ships	1,511.42	20.30	177.44	1,354.28	314.87	32.42	3.61	343.69	1,010.59	1,196.55
Furniture & Fixtures	219.93	15.45	0.05	235.33	103.40	13.76	(0.53)	117.70	117.63	116.53
Office Equipments	145.08	10.72	0.10	155.71	52.25	7.50	(0.12)	59.86	95.84	92.84
Intangible	-	-	-	-	-	-	-	-	-	-
Computer Software	157.45	1.89	-	159.34	136.31	10.27	-	146.58	12.76	21.14
LEASED ASSETS	-	-	-	-	-	-	-	-	-	-
Assets taken on finance lease (c)	743.77	18.08	-	761.85	116.48	21.36	-	137.84	624.01	627.29
Total	**5,426.19**	**446.07**	**231.19**	**5,641.07**	**1,564.37**	**235.92**	**30.64**	**1,769.64**	**3,871.43**	**3,861.82**
Previous Year	5,428.62	358.55	360.98	5,426.19	1,328.40	274.41	38.44	1,564.37	3,861.82	-
Capital Work-in-Progress	-	-	-	-	-	-	-	-	242.53	156.54
								Total	**4113.97**	**4018.36**

Note :

a) A part of Land & Buldings were revalued on December 31, 1997, June 29, 1999, and March 31, 2000 and the resultant increases in the value of assets by ₹ 4.59 Mn., ₹ 14.13 Mn. and ₹14.83 Mn. respectively and aggregating to ₹ 33.56 Mn. was transferred to Revaluation Reserve.

b) Depreciation for the year includes ₹ 24,920/- in respect of above revaluations.

c) Addition to the assets includes ₹ 18.08 Mn. (Previous year 104.52 Mn.) on account of exchange rate difference pertaining to foreign currency loan.

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
(12)	**NON CURRENT INVESTMENTS**		
	Long Term Investment (At Cost)		
	Non-Trade		
	Fully Paid Equity Shares of Joint Stock Company		
	Quoted		
	1,600,300 of TCI Finance Ltd. of ₹ 10/- each.	14.39	14.39
	(Market Value - ₹ 39.12 Mn; previous year - ₹ 50.41 Mn.)		
	100 Shares of SBI of ₹ 10 each	0.01	0.01
	(Market Value - ₹ 0.2 Mn; previous year - ₹ 0.2 Mn.)		
		14.40	**14.40**
	Unquoted		
	18,750,000 of Amrit Jal Ventures Pvt. Ltd. of ₹ 10/- each.	187.50	187.50
	(Pledged with Institution for providing Financial Assistance to Amrit Jal Ventures Pvt. Ltd.)	-	-
	18,000 shares of ITAG Infrastructure Ltd. of ₹ 10/- each	0.18	0.18
		187.68	**187.68**
	Total	**202.08**	**202.08**
(13)	**LONG TERM LOANS AND ADVANCES**		
	Considered Good		
	Capital Advance	93.92	210.73
	Advances and Rental Deposits	641.60	657.35
	Earnest Money and Security Deposits	174.29	101.17
	Other Deposits	528.30	433.05
	Considered Doubtful		
	Capital Advance	2.50	-
	Less: Provision for Doubtful advances	(2.50)	-
	Other Deposits - Considered Doubtful	53.29	-
		1,491.40	**1,402.30**
(14)	**OTHER NON CURRENT ASSETS**		
	Pre-Operative Expenses	0.20	0.08
	Deffered Employees Stock option Compensation	4.88	6.47
		5.08	**6.55**
(15)	**INVENTORIES**		
	(As taken, valued and certified by the Management)		
	Stores and Spare Parts	87.06	91.31
	Diesel, Petrol, etc.	12.14	11.14
	Trading Goods (At lower of cost and net realisable value)	19.15	5.46
		118.35	**107.91**
(16)	**TRADE RECEIVABLES (Unsecured)**		
	Outstanding for more than six months from the due date		
	Considered Good	218.78	162.12
	Considered Doubtful	47.83	63.73
		266.61	225.85
	Less: Provision for Doubtful debts	30.21	9.66
		236.40	216.19
	Others	1,966.42	1,673.89
		2,202.82	**1,890.08**
(17)	**CASH AND BANK BALANCES**		
	Cash in Hand	21.52	21.72
	Balances with Banks		
	In Current Accounts	272.60	977.94
	In Deposit Accounts	162.01	393.09
	In Unpaid/Unclaimed Dividend Accounts	9.64	8.02
		465.77	**1,400.77**

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
(18)	**SHORT TERM LOANS AND ADVANCES**		
	Unsecured - Considered Good		
	Prepaid Expenses	31.39	5.86
	Cenvat Credit Receivable	21.99	10.73
	Loans to Other Parties	456.50	285.00
	Operational Advances	1,365.15	1,137.13
	Advances to Employees	5.93	5.93
	Interest Accrued	83.77	43.96
	Tax Deducted at Source/Advance Tax	444.33	310.91
	Others	59.17	9.89
	Balance consideration receivable for Sale of Investments in Shares of Gati Ship Limited	48.00	-
		2,516.23	**1,809.41**
(19)	**OTHER CURRENT ASSETS**		
	Other	18.84	12.77
	Preliminary Exp. to the extent not written off	-	0.11
		18.84	**12.88**
	In the opinion of the Board, all assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.		
(20)	**REVENUE FROM OPERATIONS**		
	Freight, Demurrage and Miscellaneous Charges	10,417.32	9,571.43
	Logistics & Other Services	153.62	152.61
	Shipping Freight, Charter Hire, Miscellaneous charges	240.47	193.57
	Other Operating Income	162.49	110.33
	Sale of Products	1,755.56	1,846.17
		12,729.46	**11,874.11**
(21)	**OTHER INCOME**		
	Rent	1.80	1.90
	Excess Commission paid to Managing Director in earlier year recovered	-	2.13
	Profit on sale of Fixed Asset (Net)	4.86	15.51
	Dividends	17.14	2.70
	Interest	77.57	37.71
	Profit on sale of Investments (Net)	-	891.80
	Difference in Exchange (Net)	44.02	36.72
	Miscellaneous Income	20.28	28.17
		165.67	**1,016.64**
(22)	**PURCHASE OF STOCK-IN-TRADE**		
	Diesel, Petrol, Lubricants	1,644.86	1,441.86
	Others	96.69	354.74
		1,741.55	**1,796.60**
(23)	**CHANGES IN INVENTORIES OF STOCK-IN-TRADE**		
	Opening Stock	16.60	16.77
	Closing Stock	(44.15)	(16.60)
		(27.55)	**0.17**

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
(24)	**OPERATING EXPENSES**		
	Freight	6,329.24	5,255.39
	Vehicles' trip Expenses	390.86	334.03
	Tyres and Tubes	8.41	25.83
	Warehouse Rent	47.82	37.64
	Other Operating Expenses	753.13	1,042.69
	Claims for Loss & Damages (Net)	70.88	21.51
	Commission	2.98	3.60
	Vehicles' taxes	7.02	3.06
	Vehicles' and ships Insurance	9.13	14.99
	Power, Fuel and Water Expenses	110.97	237.30
	Stores and Spare Parts Consumed	5.08	28.42
	Transport and Warehousing	0.32	9.04
	Port and Survey Expenses	122.99	89.32
		7,858.83	**7,102.82**
(25)	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries, Wages and Bonus	1,141.04	1,043.53
	Gratuity	22.60	5.77
	Contribution to Provident and Other Funds	41.45	35.96
	Contribution to Employees' State Insurance	8.18	8.05
	Other Personnel Expenses	23.12	42.63
		1,236.39	**1,135.94**
(26)	**FINANCE COST**		
	Interest	428.36	602.51
	Other Borrowing Costs	8.31	16.70
		436.67	**619.21**
(27)	**DEPRECIATION AND AMORTIZATION EXPENSES**		
	Depreciation for the year	235.92	274.41
	Add: Amortization of foreign currency monetary item translation difference account	11.61	95.27
	Deduct: Transfer from Fixed Asset to Revaluation Reserve	0.02	0.10
		247.51	**369.58**
(28)	**OTHER EXPENSES**		
A	**ADMINISTRATIVE EXPENSES**		
	Rent	268.90	240.23
	Rates and Taxes	6.88	2.11
	Insurance (Includes ₹ 2.0 Mn. towards Keyman Insurance Policy, Previous Year ₹ 2.0 Mn.)	11.78	13.95
	Telephone expenses	29.81	29.94
	Printing and Stationery	27.31	24.43
	Travelling Expenses	83.08	72.10
	Legal Expenses	29.07	12.93
	Advertisement Expenses	60.85	54.17
	Office Maintenance and Repairs	145.72	133.06
	Electricity Expenses	72.07	-
	Other Admin.	31.36	22.07
	Remuneration to Directors	1.18	22.21
	Commission to Non-Whole-time Directors	1.35	-
	Remuneration to Auditors:		
	Audit Fees	2.37	2.53
	Tax Audit Fees	1.14	0.81
	Bad Debts and irrecoverable balances written off	25.76	20.57
	Preliminary Exp. Written off	-	0.01
	IT Network Expenses	33.36	-
	Charity and Donations	5.23	4.83
	Miscellaneous Expenses	172.76	296.60
	(a) Includes provision for Doubtful debts ₹ 15 Mn, (Previous year ₹ 9.6 Mn.)	**1,009.96**	**952.53**

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
B	**REPAIRS & MAINTENANCE EXPENSES**		
	Motor Trucks	12.82	21.23
	Other Vehicles	13.97	13.24
	Plant and Machinery	7.85	6.03
	Computers	31.43	31.47
	Buildings	0.44	0.41
	Ships	8.75	15.77
	Dry docking expenses	13.28	13.02
		88.54	**101.17**
	TOTAL	**1,098.50**	**1,053.70**

(29) The Hon'ble Andhra Pradesh High Court, vide its order dated March 19, 2013 approved the Scheme of Arrangement for amalgamation (The Scheme) between the erstwhile wholly owned subsdiaries namely 1) Ocimum Commercial and Trading Private Limited 2) Newatia Commercial & Trading Private Limited 3) Trymbak Commercial and Trading Private Ltd 4) Sumeru Commercial and Trading Private Limited and Gati Express Distribution Limited (Transferor Companies) with Gati Limited (Transferee Company) with effect from March 31, 2013, the appointed date. In terms of the said scheme the undertakings of the Transferor Companies including:

i) All the assets and properties both movable and immovable, investments, rights, title and interests comprised in the respective undertakings of the Transferor companies stand transferred to and vested in the Transferee company at their respective fair values.

ii) All the assets and liabilities recorded in the books of the respective transferor companies stand transferred to and vested in the Transferee company at their respective fair values.

iii) Book values of net assets of Ocimum Commercial and Trading Private Limited, Newatia Commercial & Trading Private Limited, Trymbak Commercial and Trading Private Limited, Sumeru Commercial and Trading Private Limited have been treated as fair value. The Book value of ₹ 3.5 Mn. of investment in 3,50,000 equity shares in Gati-Kintetsu Express Private Limited in the books of Gati Express Distribution Limited has been valued at ₹ 5510 Mn, being the fair value, as per the valuation report of an independent valuer.

iv) The details of value of assets and liabilities transferred by the Transferor Companies are as follows:

(₹ in millions)

Particulars	Ocimum Commercial and Trading Private Limited	Newatia Commercial and Trading Private Limited	Trymbak Commercial and Trading Private Limited	Sumeru Commercial and Trading Private Limited	Gati Express Distribution Limited
Value of Assets	11.21	13.92	24.74	55.31	5510.92
Value of Liabilities	4.41	8.81	4.88	13.51	4.01

v) All the erstwhile transferor companies are wholly owned subsidiaries of Gati Limited and on amalgamation there is no issue of shares and the entire share capital of the erstwhile transferor companies held by the Transferee company including through its nominees and the corresponding investment represented in the transferee company stand cancelled. The interse amount of deposits, loans and other receivables/payables also stand cancelled.

vi) The amalgamation has been accounted for under the 'Purchase Method' as per the Accounting Standard 14 (AS-14) "Accounting for Amalgamation".

vii) The excess of value of assets over value of liabilities amounting to ₹ 5555.4 Mn. has been credited to a Capital Reserve to be called Special Reserve as per the Scheme.

(30) i) The Scheme of Arrangement permits Gati Limited to create a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities in the books of the transferee Company amounting to ₹ 5555.4 Mn. which shall be utilized by the transferee Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc as specified in the Scheme and as the Board of directors may deem fit.

ii) In accordance with the above, the loss of ₹ 640 Mn. on sale of investment in 4 Mn. equity shares of subsidiary Gati Ship Limited (being 40% of the equity capital) required to be debited to the Statement of Profit and Loss has been adjusted with Special Reserve which is not in accordance with the Accounting Standard (AS) 13 'Accounting for Investments'. Had the Scheme not prescribed the above accounting treatment the accounts would have reflected as follows:

(₹ in millions)

Statement of Profit and Loss	Increase	(decrease)
Profit before tax	-	(640)
Profit for the year	-	(635)
Balance Sheet		
Special Reserve	640	-
Surplus in Statement of Profit and Loss	-	(635)

Profit on sale of investments of ₹ 891.8 Mn. in the previous year was credited to the Statement of Profit and Loss and classified under the head "Other Income".

(31) Gati Limited has surplus land which it plans to dispose off in parcels over a period of two to three years as a continuous activity. Accordingly, the Company has been advised that during the year net profit of ₹ 67.6 Mn. on sale of land and buildings (previous year ₹ 72.3 Mn.) has been kept in other Operating Income.

(32) A) Gati Limited has made investment in Share Capital of ₹ 352.25 Mn. and has other receivables of ₹ 4.06 Mn. due from the subsidiary Gati Kausar India Ltd. (Formerly known as Kausar India Ltd.) The net worth of the subsidiary has significantly eroded because of losses suffered from year to year. The business of Gati Kausar India Limited is the cold chain solutions which has a lot of potential. Gati Kausar India Limited has always been making cash profits and the losses are only on account of depreciation. The subsidiary will continue to have the required support from the holding company. The performance of the subsidiary is expected to improve in the near future. Under the circumstances no provision is considered necessary by the management at present for any diminution in the value of investments and also in respect of possible losses that may arise on account of other receivables from the subsidiary.

(32) B) Gati Limited has made investment in Share Capital of ₹ 3.62 Mn. and has other receivables of ₹ 13.55 Mn. due from the subsidiary Zen Cargo Movers Pvt. Ltd. The net worth of the subsidiary has fully eroded because of losses suffered from year to year. The business of Zen Cargo is clearing agency business and is very closely related to the freight forwarding business of the parent company. The same is in the process of stabilization. The subsidiary will continue to have the required support from the holding company. The performance of the subsidiary is expected to improve in the near future. Under the circumstances no provision is considered necessary by the management at present for any diminution in the value of investments and also in respect of possible losses that may arise from other receivables from the subsidiary.

(33) Gati Limited has made an investment in the wholly owned overseas subsidiary – Gati Asia Pacific PTE. Ltd., Singapore (GAP). GAP has overseas subsidiaries and is independently audited. Although the GAP and its subsidiaries' collective current liabilities exceeded the current assets, and the accumulated losses exceeded the paid-up capital and/or reserves, by ₹ 42.88 Mn/S$ 911,863 (2012:S$ 738,438) and ₹ 42.45 Mn/S$ 902,547 (2012:S$ 723,329) respectively, as of June 30, 2013. The financial statements have been prepared on the basis of the GAP and its subsidiaries being a going concern as Gati Limited has given written confirmation of its continuing financial support for its subsidiaries. If the financial support is not forthcoming and as a result, GAP (along with its subsidiaries) is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation and the assets may need to be realised, other than in normal course of business, and at amounts which could differ significantly from the amounts stated in Balance Sheets.

(34) The Opening balance of ₹ 100 Mn. in the provision for contingencies account of Gati Limited has been adjusted by Write off/ reversals/Adjustments: (a) Interest income of earlier year - ₹ 7.59 Mn. (b) Advances / Deposits not recoverable - ₹ 16.93 Mn. (c) Loan to a Subsidiary - ₹ 11.40 Mn .(d) Trade Receivables - ₹ 35.32 Mn. and (e) Unreconciled Inter-divisional balances - ₹ 21.29 Mn. aggregating to ₹ 92.53 Mn. leaving a balance of ₹ 7.46 Mn.

(35) Pursuant to the notification issued by the Ministry of Corporate Affairs dated December 29, 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 June 30, 2013 an amount ₹ 151.71 Mn. has been carried forward in the "Foreign Exchange Monetary Item Translation Difference Account" (FCMITDA). Consequently the net profit is higher by ₹ 63.60 Mn. for the year ended June 30, 2013.

(36) In the year 2009, Gati Limited 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 Limited,) 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 ₹ 266 Mn. 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 ₹ 266 Mn. as well as the legal expenses of ₹ 10.2 Mn. as per the legal advice received by the Company, endorsed by another eminent jurist, no liability is contemplated to arise in the matter and no provision is considered necessary in these accounts in this behalf.

(37) Tax provision in these accounts has been made considering the working results for the year ended June 30, 2013. The actual tax liability will be determined on the basis of tax accounting year ended March 31, 2013. (Assessment Year 2013-14).

(38) Gati Limited has granted options under the Companies Employees Stock Options Scheme and 18,02,716 Options are outstanding (Previous year 19,48,141) as at June 30, 2013. Of this 10,84,216 Options will vest in 2013-14, 2,15,550 options in 2014-15, 2,87,400 options in 2015-16 and 2,15,550 options in 2016-17.

(39) The Board of Directors of Gati Limited has allotted 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 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 with a par value of ₹ 2 each with full voting rights at an initial conversion price of ₹ 38.51 per share with USD/INR reference exchange rate that is fixed at ₹ 52.2285 per US$. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in US dollars at 132.8341 percent of principle amount on December 13, 2016 giving a Yield to Maturity of 5.76 percent per annum calculated on semi-annual basis.

Notes to Consolidated Financial Statements

(40) The Consolidated Financial Statements include result of all the subsidiaries of Gati Ltd.

Name of Subsidiary Company	Country of Origin	% of Share Holding	Consolidated as
Gati Asia Pacific Pte. Ltd. (GAP)	Singapore	100% held by Parent	Subsidiary
Gati Hong Kong Ltd.	Hong Kong	100% held by GAP	Subsidiary
Gati China Holdings Ltd. (GCHL)	Mauritius	100% held by GAP	Subsidiary
Gati Cargo Express (Shanghai) Co. Ltd.	China	100% held by GCHL	Subsidiary
Gati Cargo Malaysia SDN BHD	Malaysia	100% held by GAP	Subsidiary
Newatia Commercial & Trading Pvt. Ltd.*	India	100% held by Parent	Subsidiary
Trymbak Commercial & Trading Pvt. Ltd.*	India	100% held by Parent	Subsidiary
Ocimum Commercial & Trading Pvt. Ltd.*	India	100% held by Parent	Subsidiary
Sumeru Commercial & Trading Pvt. Ltd.*	India	100% held by Parent	Subsidiary
Gati Express Distribution Ltd.*	India	100% held by Parent	Subsidiary
Gati-Kintetsu Express Pvt. Ltd.	India	70% held by Parent	Subsidiary
Gati Kausar India Ltd.	India	99.81% held by Parent	Subsidiary
Gati Import Export Trading Ltd.	India	100% held by Parent	Subsidiary
Zen Cargo Movers Pvt. Ltd.	India	100% held by Parent	Subsidiary
Gati Ship Ltd.	India	60% held by Parent	Subsidiary
Gati Logistics Parks Private Ltd.	India	100% held by Parent	Subsidiary
Gati Projects Private Ltd.	India	100% held by Parent	Subsidiary

* Amalgamated with parent company w.e.f March 31, 2013.

1) The accounts of the Subsidiary Companies have been audited by the respective statutory auditors and the financial statements of these Companies have been considered in the consolidation.

2) The Consolidated Financial Statements have been prepared on the following principles.

   a) In respect of subsidiary company, the financial statements have been consolidated on aline by line basis by adding together the book values of like items of Assets, Liabilities, Income and expenditure, after fully eliminating intra-group balances and intragroup transactions resulting in unrealized profits/losses, as per Accounting Standard 21 "Consolidated Financial statement", notified by Companies (Accounting Standards) rules, 2006.

   b) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Translation reserve".

   c) The excess of cost to the company of its investment in Subsidiary and Associate is recognized in the financial statement as Good will, which is tested for impairment on every Balance Sheet date. The excess of company's share of equity and reserves of the Subsidiary and Associate companies over the cost of acquisition is treated as Capital Reserve.

   d) Minority's share of assets, liabilities, related reserves and profit/loss during the year have been consolidated together and has been shown under Minority interest with corresponding deduction from the respective line items of financials.

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
(41)	**Segment Information**		
	Primary Business Segment		
	Express Distribution and Supply Chain: Covers Integrated cargo Services - Road Rail and Air Transportation		
	Shipping: Covers Sea Transportation		
	Fuel Stations: Covers Fuel Stations dealing in petrol, diesel and lubricants etc.		
1)	**Segment Revenue (Net Sale/Income from each Segment)**		
	a) Express Distribution & Supply Chain	10,735.77	9,813.99
	b) Shipping	240.47	209.43
	c) Fuel Sales	1,670.76	1,478.12
	d) Other Sales	90.67	381.96
	Total	**12,737.67**	**11,883.50**
	Less: Inter Segment Revenue	8.22	9.39
	Net Sales/Income from Operations	**12729.46**	**11874.10**
2)	**Segment Results (Profit (+)/Loss (-) before tax and interest from each Segment)**		
	a) Express Distribution & Supply Chain	1,030.92	1,980.62
	b) Shipping	(164.55)	(251.11)
	c) Fuel Sales	21.74	22.92
	d) Other Sales	3.51	5.51
	Total	**891.61**	**1,757.95**
	Less: i) Interest (net of Income)	(436.67)	(619.21)
	ii) Other unallocable expenditure net off	(151.70)	(326.00)
	Total Profit before tax	**303.24**	**812.74**
3)	**Capital Employed**		
	Segment Assets		
	a) Express Distribution & Supply Chain	11,360.90	7,730.77
	b) Shipping	3,743.77	2,658.36
	c) Fuel Stations	72.91	113.14
	d) Unallocated/Corporate	366.23	389.81
	Total Assets	**15,543.81**	**10,892.07**
	Segment Liabilities		
	a) Express Distribution & Supply Chain	4,565.31	5,840.61
	b) Shipping	1,812.78	962.62
	c) Fuel Stations	14.48	25.02
	d) Unallocated/Corporate	1,340.72	-
	Total Liability	**7,733.29**	**6,828.25**
	Capital Employed	**7,810.52**	**4,063.82**

Secondary Business Segment (₹ in Million)

	Particulars	30th June 2013	30th June 2012
1)	**Segment Revenue (Net Sale/Income)**		
	a) India	12,329.73	11,237.20
	b) International	485.88	755.83
	Total	**12,815.60**	**11,993.03**
	Less: Inter Segment Revenue	86.14	118.93
	Net Sales/Income from Operations	**12,729.46**	**11,874.10**
2)	**Segment Results**	-	-
	a) India	**869.74**	**1,821.02**
	b) International	21.87	(54.01)
	Total	**891.61**	**1,767.00**
	Less: i) Interest	(436.67)	(628.26)
	ii) Other unallocable expenditure net off	(151.70)	(326.00)
	Total Profit before tax	**303.24**	**812.74**
3)	**Capital Employed**		
	Segment Assets		
	a) India	14,678.44	10,304.62
	b) International	173.50	297.26
	c) Unallocated Corporate Assets/ Inter Segment Assets	691.87	290.19
	Total Assets	**15,543.81**	**10,892.07**
4)	**Segment Liabilities**		
	a) India	6,053.06	6,668.37
	b) international	106.33	159.89
	c) Unallocated Corporate Liabilities/Inter Segment Liability	1,573.89	
	Total Liability	**7,733.29**	**6,828.25**
	Capital Employed	**7,810.52**	**4,063.82**
(42)	**Commitments and Contingencies**		
	Contingent Liability		
	Bank Guarantees	127.28	151.35
	Guarantees and Counter Guarantees outstanding	1,913.50	
	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	27.21	38.97

(43) The Company has taken a ship on finance lease during the financial year 2008-09 and accordingly as per AS-19, the asset has been capitalized with corresponding Liability. The future lease payment obligation and their present value as at June 30, 2013 are as follows:

(₹ in Million)

Lease Payments	2011 - 12 (June 30, 2013)		2010 - 11 (June 30, 2012)	
	Lease Payments Obligations	Present Value of lease payments	Lease Payments Obligations	Present Value of lease payments
Repayable less than 1 year	119.50	105.75	113.04	100.04
1 year to 5 years	543.14	345.89	565.51	352.04
More than 5 years	297.63	126.51	342.87	145.74
TOTAL	**960.27**	**578.15**	**1,021.42**	**597.81**

(44)	**Earning per share**	30th June 2013	30th June 2012
	(i) Net profit after tax available for equity shareholders - for Basic and Diluted EPS	96.30	414.57
	(ii) Weighted average no. of ordinary shares for Basic EPS (Nos.)	86,582,287	86,390,018
	Add: Adjustments for foreign currency convertible bonds and stock options (Nos.)	30,173,726	30,231,951
	Weighted average no. of ordinary shares for Diluted EPS (Nos.)	**116,756,013**	**116,621,969**
	(iii) Nominal value of Ordinary Shares (₹)	2.00	2.00
	(iv) Basic Earning per Ordinary Share (₹)	1.11	4.80
	(v) Diluted Earning per Ordinary Share (₹)	0.82	3.56

(45) Related Party Disclosures

Related parties with whom transactions have taken place during the year.

i) Directors/Key Management Personnel:

Mr. Mahendra Agarwal (Managing Director & CEO)

Mr. Sanjeev Kumar Jain (Director – Finance)

ii) Relative of Key Management Personnel:

Mr. Anand Kumar Agarwal (Brother of Mr. Mahendra Agarwal)

iii) Associates

1. Gati Intellect Systems Ltd.
2. TCI Finance Ltd.
3. Giri Roadlines & Commercial Trading Pvt. Ltd.
4. Jubilee Commercials & Trading Pvt. Ltd.
5. Gati Shipping Ltd.
6. Gati Cargo Management Services Ltd.
7. TCI Hi-ways Pvt. Ltd.
8. TCI Industries Ltd.
9. Mahendra Kumar Agarwal & Sons (HUF)
10. ITAG Infrastructure Ltd.
11. ITAG Business Solutions Ltd.
12. Gati (Thailand) Ltd.
13. Mahendra Investment Advisors Pvt. Ltd.
14. Amrit Jal Ventures Pvt. Ltd.

(₹ in Million)

SL	Nature of Transaction	Key Management Personnel & Relative of KMP	Associates	30th June 2013	30th June 2012
A	**Expenditure**				
	Rent		5.75	5.75	9.44
	Freight and Other Charges		5.12	5.12	906.28
	Port Expenses		7.23	7.23	3.92
	Interest				
	Key Management Personnel				
	Remuneration	37.08		37.08	23.96
B	**Revenue**				
	Freight and Other Charges		0.06	0.06	0.67
	Interest				-
	Rent			-	0.34
C	**Finance and Investment**				
	Advances - Given		21.41	21.41	151.40
	Advances - Repaid	5.70	12.50	18.20	
D	**Balance at the year end**				
	Investments		202.07	202.07	202.07
	Sundry Debtors		14.71	14.71	0.54
	Loans				
	Advances		153.08	153.08	151.40
	Sundry Creditors		27.38	27.38	24.04
	Deposits and Advances		16.13	16.13	
	Advances towards Fixed Assets			-	5.70
	Corporate Guarantees		9.58	9.58	

(₹ in Million)

	Particulars	30th June 2013	30th June 2012
(46)	**Additional Information**		
1)	**Value of Imported and Indigenous Stores & Spare Parts Consumed during the year**		
	Imported	1.99	4.91
	Indigenous	3.09	9.71
		5.08	**14.62**
2)	**Expenditure in Foreign Currency**		
	Travelling Expenses	14.23	6.87
	Insurance	4.19	3.29
	Port Expenses	42.11	63.22
	Charter Hire	82.06	70.18
	Dry docking expenses and Repairs	9.92	13.94
	Professional Fee	-	4.88
	Miscellaneous	8.17	29.14
3)	**Value of Imports on C.I.F. Basis**		
	Spare Parts	1.99	4.91
4)	**Earnings in Foreign Currency**		
	Freight	141.37	98.52

(47) The previous year's figures have been reclassified/regrouped/restated wherever necessary.

(48) ACCOUNTING POLICIES

Recognition of Income & Expenditure

a) Income and expenditure are generally recognized on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.

b) In Express Distribution & Supply Chain, Freight Income is accounted when goods are delivered by the Company to customers. In Shipping, Freight Income is accounted when ships sail.

c) Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.

d) Having regard to the size of operations and the nature and complexities of the company's business, freight received/paid in advance is accounted as income / expenses on payment and interdivisional transfers are eliminated.

e) Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation.

Provident Fund

Provident fund contribution is remitted to appropriate authority.

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

a) Fixed assets are stated at cost and/or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.

b) Dry docking and other expenses at the time of acquisition of ships are capitalized.

c) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from revaluation reserve created on revaluation of Fixed Assets.

Depreciation

Depreciation is provided on straight line method at rates specified in Schedule XIV to the Companies Act, 1956 or as per the estimated useful life of assets, whichever is higher.

Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction. Individual assets costing upto ₹ 5,000/- are depreciated fully in the year of acquisition.

Investments

Investments are stated at cost or at fair value.

Foreign Exchange Transaction

a) Foreign currency transactions are recorded at average rate for the month.

b) Monetary items in foreign currency at the year end are converted in Indian currency at the year end rates.

In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance life of the long-term monetary item, not beyond March 31, 2020.

c) Any income or expense on account of exchange difference either on settlement or translation is recognized in the profit & loss account.

d) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.

Taxation

Income Tax

Provision Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision.

The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognized whenever the recoverable amount of an asset is less than its carrying amount.

Signatures to Notes "1" to "48"

In terms of our Report of even date

For R. S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No.: 005534

For and on behalf of the Board

Sanjeev Jain
Director-Finance

K.L. Chugh
Chairman

Mahendra Agarwal
Founder & CEO

VSN Raju
Company Secretary

N.Srinivasan
Director

Secunderabad
July 31, 2013

Cash Flow Statement for the year ended 30th June 2012

(₹ in Million)

Particulars	30th June 2013	30th June 2012
(I) Cash flows from Operating Activities		
Net Profit / (Loss) After Tax	172.69	415.07
Add:		
Provision for tax	59.66	252.38
Exceptional Item	70.90	145.29
Less: Foreign Currency translation difference	(44.02)	(36.72)
Net profit before taxation and exceptional items	**259.23**	**776.02**
Adjustment for Non-Cash and Non-Operating Items.		
Depreciation	247.50	369.58
(Profit) / Loss on sale of Investment	-	(891.80)
Interest on borrowings (Net)	436.67	619.21
(Profit) / Loss on sale of fixed assets (Net)	(4.86)	(87.84)
Interest Income	(77.57)	(37.71)
Dividend Income	(17.14)	(2.70)
Rental income received	(1.80)	(1.90)
Operating profits before working capital changes	**842.03**	**742.86**
(Increase) / Decrease in Sundry debtors (Net of Bad debts)	(312.73)	(23.83)
(Increase) / Decrease in Inventories	(10.44)	13.19
(Increase) / Decrease in Loans & Advances	(864.74)	(550.36)
(Increase) / Decrease in Other current assets	(4.50)	(0.61)
Increase / (Decrease) in Short Term Borrowings	6.85	66.26
Increase / (Decrease) in Trade Payables	(7.16)	(44.09)
Increase / (Decrease) in Other Liabilities	175.23	(1,454.99)
Increase / (Decrease) in Provisions	(77.53)	(123.24)
Cash generated from operations	**(253.01)**	**(1,374.82)**
(Income tax paid) Net tax refund received	50.46	192.57
Exceptional Items	-	(145.29)
Net Cash from Operating Activities	**(303.47)**	**(1,327.54)**
(II) Cash Flow from Investing Activities		
(Increase) / Decrease in Capital WIP	(85.99)	(8.25)
(Increase) / Decrease in Capital Advances (Net)	116.81	(130.64)
Interest received	77.57	37.71
Dividend Income	17.14	2.70
Rent income	1.80	1.90
(Purchase) / Sale of Fixed Assets (Net)	(311.77)	72.35
Investments made / Sale proceeds	-	892.30
Net Cash from Investing Activities	**(184.45)**	**868.06**
(III) Cash Flow from Financing Activities		
Issue of Share Capital	-	1.15
Increase / (Decrease) in Reserve and Surplus	-	1,359.06
FD Receipts	4.22	-
Net receipt of Secured Loans	75.76	(387.63)
Repayment of Unsecured Loans	(9.12)	-
Receipt of Unsecured Loans		1,201.35
Dividend Paid (including dividend tax)	(125.29)	(49.98)
Interest on loans paid	(436.67)	(619.21)
Net Cash from Financing Activities	**(491.10)**	**1,504.75**
Foreign Currency translation difference	44.02	36.72
Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	**(934.99)**	**1,081.99**
Cash and Cash equivalents in the beginning of the year	1,400.76	318.77
Cash and Cash equivalents in the end of the year	465.77	1,400.76
Cash flow from Activities during the year	**(934.99)**	**1,081.99**

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.
2. Previous year figures have been regrouped/reclassified, wherever necessary.

In terms of our Report of even date

For R. S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No.: 005534

Secunderabad
July 31, 2013

For and on behalf of the Board

Sanjeev Jain
Director-Finance

K.L. Chugh
Chairman

Mahendra Agarwal
Founder & CEO

VSN Raju
Company Secretary

N.Srinivasan
Director

Auditors Report

To the Board of Directors of Gati Limited

We have audited the attached Consolidated Balance Sheet of Gati Limited (the Parent Company) and its subsidiary companies collectively called the 'Gati Group' as at 30th June 2012, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

2. The financial statements of the Branches, Subsidiary and Associate Companies have been audited by others auditors whose reports have been furnished to us and our opinion is based solely on the reports so furnished.

3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS-21), Consolidated Financial Statements, as notified by the Companies (Accounting Standards) Rule 2006.

4. Based on our audit and on consideration of reports of other auditors on separate financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements, read together with paragraph 2 above, give a true and fair view in conformity with the accounting principle generally accepted in India.

a) In the case of Consolidated Balance Sheet of the state of affairs of the Gati Group as at 30th June 2012.

b) In the case of Consolidated Statement of Profit and Loss, of the profit of the Gati Group for the year ended on that date and

c) In the case of Consolidated Cash Flow Statement, of the cash flows of the Gati Group for the year ended on that date.

For R.S. Agarwala & Co.
Chartered Accountants
Firm Regn No. 304045E

R.S. Agarwala
Partner
Membership No.F-5534

Camp: Secunderabad
Date : August 9 , 2012

Consolidated Balance Sheet as at 30th June 2012

(₹ in Million)

Particulars	Notes	30th June 2012	30th June 2011
EQUITY AND LIABILITES			
Shareholders' Funds			
Share Capital	1	173.16	172.01
Reserves and Surplus	2	4038.29	2636.26
Money Received against Share Warrants		-	164.06
		4211.45	**2972.33**
Minority Interest		**536.67**	**-**
Non-Current Liabilities			
Long Term Borrowings	3	2640.79	1775.68
Deferred Tax Liabilities(Net)	4	100.96	103.62
Other Long Term Liabilities	5	6.46	69.60
Long Term Provisions	6	39.73	-
		2787.94	**1948.90**
Current Liabities			
Short Term Borrowings	7	1374.51	1308.25
Trade Payables	8	670.07	714.16
Other Current Liabilities	9	866.00	2257.86
Short Term Provisions	10	593.03	550.94
		3503.61	**4831.21**
Total		**11039.67**	**9752.44**
ASSETS			
Non - Current Assets			
Fixed Assets	11		
Tangible Assets		3840.68	4080.37
Intangible Assets		21.15	19.86
Goodwill on Consolidation		101.22	216.90
Capital Work in Progress		156.54	148.29
Non-Current Investments	12	202.08	202.08
Long Term Loans and Advances	13	1402.30	877.03
Other Non-Current Assets	14	94.65	16.03
		5818.62	**5560.56**
Current Assets			
Inventories	15	107.91	121.10
Trade Receivables	16	1890.08	1902.98
Cash & Bank Balances	17	1400.76	318.76
Short Term Loans and Advances	18	1809.41	1846.25
Other Current Assets	19	12.88	2.79
		5221.04	**4191.88**
Total		**11039.66**	**9752.44**
The Notes form an integral part of these Consolidated Financial Statements	1-34		

In terms of our Report of even date

For R. S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : F-5534

Secunderabad
August 9, 2012

Sanjeev Jain
Director-Finance

VSN Raju
Company Secretary

For and on behalf of the Board

K.L. Chugh
Chairman

Mahendra Agarwal
Founder & CEO

N.Srinivasan
Director

Consolidated Statement of Profit and Loss for the year ended 30th June 2012

(₹ in Million)

Particulars	Notes	30th June 2012	30th June 2011
REVENUE			
Revenue from Operations	20	11801.78	12029.83
Other Income	21	1088.97	83.36
Total		**12890.75**	**12113.18**
EXPENSES			
Purchase of Stock in Trade	22	1796.60	2159.93
Change in Inventories of Stock-in-trade	23	0.16	-
Operating Expenses	24	7102.82	6807.41
Employee Benefits Expenses	25	1135.94	1129.72
Finance Costs	26	619.21	516.39
Depreciation and Amortization Expenses	27	369.58	254.26
Other Expenses	28	1053.70	1008.14
Total		**12078.01**	**11875.85**
Profit before Exceptional Items and Tax		812.74	237.33
Exceptional Items	31	(145.29)	-
Profit Before Tax		**667.45**	**237.33**
Tax Expense			
Current Tax		255.24	109.71
Deferred Tax		(2.66)	7.65
MAT credit		(0.20)	(21.05)
Profit for the year		**415.07**	**141.02**
Earning per Share(Rupees)			
Basic		4.80	1.65
Diluted		3.56	1.21
The Notes form an integral part of these Consolidated Financial Statements	**1-34**		

In terms of our Report of even date

For R. S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No. : 304045E

Sanjeev Jain
Director-Finance

R. S. Agarwala
Partner
Membership No. : F-5534

VSN Raju
Company Secretary

Secunderabad
August 9, 2012

For and on behalf of the Board

K.L. Chugh
Chairman

Mahendra Agarwal
Founder & CEO

N.Srinivasan
Director

(₹ in Million)

	Particulars	30th June 2012	30th June 2011
(1)	**SHARE CAPITAL**		
	Authorised		
	12,50,00,000 Equity Shares of ₹ 2/- each (100,000,000 in previous year)	250.00	200.00
	500,000 Redeemable Preference Shares of ₹ 100/- each (1,000,000 in previous year)	50.00	100.00
		300.00	300.00
	Issued,Subscribed and Paid-up :		
	86,582,287 (Previous year 86,004,900) Equity Shares of ₹ 2/- each fully paid up	173.16	172.01

Terms/rights attached to equity shares

The Company has only one class of equity shares of par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Directors is subject to approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their share holding.

Reconciliation of the number of Shares outstanding

Particulars	30th June 2012 No.of Shares	30th June 2012 (₹ in Million)	30th June 2011 No.of Shares	30th June 2011 (₹ in Million)
Shares at the beginning of the year	**86,004,900**	**172.01**	**85,154,900**	**170.31**
Allotted under Employee Stock Option Scheme	577,387	1.15	-	-
Alloted on Conversion of Warrants	-	-	850,000	1.70
Shares at the end of the year	**86,582,287**	**173.16**	**86,004,900**	**172.01**

Details of shareholders holding more than 5 % shares

Name of Share Holders	30th June 2012 No.of Shares Held	30th June 2012 % of Holding	30th June 2011 No.of Shares Held	30th June 2011 % of Holding
TCI FINANCE LTD	13,324,350	15.39	13,324,350	15.49
MAHENDRA INVESTMENT ADVISORS PVT LTD	8,065,105	9.31	9,932,760	11.55
MANISH AGARWAL BENEFIT TRUST	4,500,000	5.20	4,500,000	5.23
DHRUV AGARWAL BENEFIT TRUST	4,342,000	5.01	4,500,000	5.23
	30,231,455	**34.91**	**32,257,110**	**37.51**

Shares reserved for issue under options and contracts/commitments.

i) 19,48,141 equity shares of ₹ 2/- each are reserved under employee stock option scheme as on 30th June 2012(Previous year 30,71,980). Of this 9,09,402 options, 7,84,539 options, 2,06,200 options and 48,000 options will vest in the year 2012-13, 2013-14, 2014-15 and 2015-16 respectively.

ii) On December 12, 2011, the Company issued of 22,182 Foreign Currency Convertible Bonds of US$ 1,000 each for a total amount of US$ 22,182,000. The Bonds are convertible at any time on and after December 31, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares with full voting rights with a par value of ₹ 2/- each at an initial conversion price of ₹ 38.51 per share with a fixed rate of exchange on conversion of ₹ 52.2285 to 1 US$.

(₹ in Million)

	Particulars	30th June 2012	30th June 2011
(2)	**RESERVES AND SURPLUS**		
	Revaluation Reserve		
	As per last balance sheet	68.94	69.07
	Less: Transferred	9.25	-
	Less: Transferred to Statement of Profit and Loss	0.10	0.13
		59.60	**68.94**
	Securities Premium Account		
	As per last balance sheet	1,731.32	1,745.45
	Additions during the year(i)	1157.49	47.60
	Less: Deductions during the year(ii)	187.01	61.73
		2701.80	**1,731.32**
	Share Option Outstanding account		
	As per last balance sheet	39.15	34.43
	Additions during the year(iii)	1.74	8.60
	Less: Deduction on cancellation of options not excercised(iii)	9.54	3.88
	Transferred to Securities Premium Account	6.74	-
		24.61	**39.15**
	Translation Reserve		
	As per last balance sheet	18.18	40.05
	Less: Deduction during the year	13.14	21.86
		5.04	**18.18**
	Other Capital Reserves		
	As per last balance sheet	43.97	43.97
	Add: Forfeiture of Share Application/ Convertible Warrants	164.19	-
		208.17	**43.97**
	General Reserve		
	As per last balance sheet	669.16	654.86
	Add: Transferred from statement of profit and loss	72.00	14.30
		741.16	**669.16**
	Shipping Business Reserve(Utilized)		
	As per last balance sheet	35.00	35.00
		35.00	**35.00**
	Tonnage Tax Reserve(Utilized)		
	As per last balance sheet	92.91	92.91
		92.91	**92.91**
	Surplus / Loss		
	As per last balance sheet	(62.37)	(139.12)
	Add: Profit for the year	415.07	141.02
	Less: Interim dividend	51.95	-
	Proposed Final dividend	43.29	43.00
	Tax on dividend	15.45	6.98
	Transferred to General Reserve	72.00	14.30
		170.01	**(62.37)**
		4038.28	**2636.26**

(i) On allotment of 5,77,387 shares under Employee Stock Option Scheme and transferred from Stock Option Outstanding Account

(ii) Provision for pro-rata premium on redemption of Foreign Currency Convertible Bonds.

(iii) In respect of options granted under the Companies Employees Stock Options Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options(based on market value of share on the date of grant of options minus the option price) is accounted as deferred employees compensation which is amortised on a straight line basis over the vesting period. Consequently salaries, wages and bonus includes ₹ -49.80 lakhs (previous year ₹ 159.63 lakhs) being amortisation of deferred employee compensation after adjusting for reversal on account of options refunds/lapsed.

(₹ in Million)

	Particulars	Non - Current		Current Maturities	
		30th June 2012	30th June 2011	30th June 2012	30th June 2011
(3)	**LONG TERM BORROWINGS**				
	Term Loans				
	From Banks	707.81	1233.65	336.40	526.84
	From Others	176.32	-	53.76	-
	Finance Lease - obligations	420.57	436.38	100.70	104.00
	Unsecured				
	From Others	4.40	0.70	4.71	-
	Fixed deposits	82.64	104.93	106.11	83.94
	Foreign Currency Convertible Bonds	1249.05	-	-	670.80
		2640.79	**1775.68**	**601.68**	**1385.57**

OTHER INFORMATION PERTAINING TO NATURE OF SECURITY

	Particulars of Nature of Security	Security to the Extent	
		30th June 2012	30th June 2011
	Term Loans		
	From Banks		
	Property Situated at MG Road, Secunderabad	84.84	
	Property at Peenya,Bangalore, Subservient Charge on the current & fixed assets of the Company with coverage up to 50% of the loan amount	500.00	
	Exclusive Charge on entire movable fixed assets, specofically on plant & mechinery, Computers, Furniture & Fixtures, office equipments	400.00	
	Hypothecation of Trucks and Vehicles	36.81	
	From Others		
	Trucks and Vehicles acquired against Individual Loan	30.88	
		1052.53	
(4)	**DEFERRED TAX LIABILITY**		
	Difference between book and tax depreciation	100.96	103.62
		100.96	**103.62**
(5)	**OTHER LONG TERM LIABILITIES**		
	Interest Accrued	6.46	69.60
		6.46	**69.60**
(6)	**LONG TERM PROVISIONS**		
	Premium on redemption of Foreign Currency Convertible Bonds	39.73	-
		39.73	**-**
(7)	**SHORT TERM BORROWINGS**		
	Secured		
	Working Capital Loans		
	From Banks	1253.46	1308.25
	Short term Loans		
	From Banks	75.00	-
	Unsecured		
	From Others	46.05	-
		1374.51	**1308.25**
	OTHER INFORMATION PERTAINING TO NATURE OF SECURITY		
	Particulars of Nature of Security	Security to the Extent	
		30th June 2012	30th June 2011
	Secured Working Capital Loan from Bank		
	Working Capital Loans are secured by hypotication of book debts and other current assets of the company on paripasu basis with other consortium lenders as primary security along with land and building properties as collateral.	1253.46	1308.25
	Secured Term Loans from Banks		
	Secured by a property at Samalkha, New Delhi	75.00	-
		1328.46	**1308.25**

(₹ in Million)

(8)	**TRADE PAYABLES**		
		Security to the Extent	
	Particulars of Nature of Security	30th June 2012	30th June 2011
	Sundry Creditors other than acceptance	670.07	714.16
		670.07	**714.16**
(9)	**OTHER CURRENT LIABILITIES**		
	Current maturities of Long Term Borrowings	-	-
	From Banks	336.44	526.84
	From Others	265.24	858.74
	Other Liabilities		
	- Statutory dues	95.85	288.00
	- Salary Payable	0.69	-
	- Security Deposit	64.16	75.04
	- Others	95.60	502.07
	- Unpaid/Unclaimed Dividend	8.02	7.17
		866.00	**2257.86**
(10)	**SHORT TERM PROVISIONS**		
	Provision for Employee Benefits	43.36	35.27
	Premium for redemption of Foreign Currency Convetible Bonds	-	288.06
	Others		
	Taxation(Net of Advance Tax)	338.38	177.63
	Interim Dividend	51.95	-
	Proposed Final Dividend	43.29	43.00
	Tax on Dividend	15.45	6.98
	Expenses	0.61	-
	Contingencies	100.00	-
		593.03	**550.94**

(11) FIXED ASSETS

(₹ in Million)

Description	Gross Block				Depreciation				Net Carrying Value	
	As at 01.07.2011	Additions During the Year	Deductions During the Year	Balance As On 30.06.2012	As On 01.07.2011	For the Year	Adjustment On Deductions	Balance As On 30.06.2012	30th June 2012	30th June 2011
Tangible										
Land										
Freehold	752.33	14.06	188.28	578.11	-	0.00	-		578.11	752.33
Leasehold	103.38	-	-	103.38	-	0.00	-		103.38	103.38
Buildings	555.00	13.46	2.37	566.09	42.86	9.54	0.35	52.05	514.05	512.15
Vehicles	313.19	19.48	16.63	316.04	162.05	41.90	11.05	192.90	123.14	151.14
Plant & Equipments	733.63	64.70	50.40	747.93	263.38	72.53	21.59	314.31	433.62	470.25
Computers	321.59	19.68	4.28	336.99	257.25	22.18	-2.37	281.80	55.19	64.46
Ships	1505.90	5.53	-	1511.42	249.45	65.42	-	314.87	1196.55	1256.45
Furniture & Fixtures	199.82	20.95	0.84	219.93	91.54	12.61	0.75	103.40	116.53	108.28
Office Equipments	140.02	6.94	1.88	145.08	44.42	8.49	0.66	52.25	92.84	95.60
Intangible										
Computer Software	152.23	5.39	0.17	157.45	132.24	10.48	6.41	136.31	21.14	19.86
Good will										
LEASED ASSETS										
Assets taken on finance lease	651.55	188.35	96.13	743.77	85.21	31.27	0.00	116.48	627.29	566.34
Total	**5428.62**	**358.55**	**360.98**	**5426.19**	**1328.40**	**274.41**	**38.44**	**1564.37**	**3861.82**	**4100.23**
Previous Year	5268.27	271.84	111.49	5428.62	1090.43	270.84	32.87	1328.40	4100.23	
Capital Work-in-Progress									156.54	148.29
								Total	**4018.36**	**4248.52**

Note :

a) A part of Land & Buldings were revalued on 31st December, 1997, 29th June, 1999, and 31st March, 2000 and the resultant increases in the value of assets by ₹ 4.60 Mn, ₹ 14.13 Mn and ₹ 14.84 Mn respectively and aggregating to ₹ 33.56 Mn was transferred to Revaluation Reserve.

b) Depreciation for the year includes ₹ 0.10 Mn in respect of the above revaluations.

c) Addition to the assets includes ₹ 104.52 Mn(previous year Deduction ₹ 4.31 Mn) on account of exchange rate difference on account of foreign currency loan.

d)The increase/decrease of rupee liability arising out of the restatement of foreign currency convertible bonds, has been adjusted to the carring cost of respective fixed assets to be depreciated over their remaining depreciated life. The depreciation for the current year includes ₹ 0.37 Mn(previous year ₹ 0.42 Mn) arising on account of this adjustment.

(₹ in Million)

	Particulars	30th June 2012	30th June 2011
(12)	**Long Term Investment(At Cost)**		
	Non-Trade		
	Fully Paid Equity Shares of Joint Stock Company		
	Quoted		
	1,600,300 of TCI Finance Ltd. of ₹ 10/- each.	14.39	14.39
	(Market Value - ₹ 504.09 Lakhs ; previous year - ₹ 868.96 Lakhs)		
	100 Shares of SBI of ₹ 10 each	0.01	0.01
	(Market Value - ₹ 2,15,900; previous year - ₹ 2,40,465)		
		14.40	**14.40**
	Unquoted		
	18,750,000 of Amrit Jal Ventures Ltd. of ₹ 10/- each.	187.50	187.50
	(Pledged with Institution for providing Financial Assistance to Amrit Jal Ventures Ltd.)		
	18,000 shares of ITAG Infrastructure Ltd. of ₹ 10/- each	0.18	0.18
		202.08	**202.08**
(13)	**LONG TERM LOANS AND ADVANCES**		
	Unsecured - Considered Good		
	Capital Advance	400.72	270.08
	Advances to Suppliers	2.42	-
	Balance of consd. for assignmt. of Right to a Ship	-	20.30
	Advances and Rental Deposits	654.93	121.78
	Earnest Money and Security Deposits	101.17	276.81
	Other Deposits	243.06	188.07
		1402.30	**877.03**
(14)	**OTHER NON CURRENT ASSETS**		
	Foreign Currency Monetary Item Translation Difference Account(Note 33c)	88.11	-
	Pre-Operative Expenses	0.08	-
	Deffered Employees Stock option Compensation	6.47	16.03
		94.65	**16.03**
(15)	**INVENTORIES**		
	(As taken, valued and certified by the Management)		
	Stores and Spare Parts	107.91	121.10
	(At lower of cost and net realisable value)		
		107.91	**121.10**
(16)	**TRADE RECEIVABLES (Unsecured)**		
	Outstanding for more than six months from the due date		
	Considered Good	162.12	112.03
	Considered Doubtful	63.73	-
		225.85	112.03
	Less : Provision for doubtful debts	9.66	-
		216.19	112.03
	Others	1673.89	1790.95
		1890.08	**1902.98**
(17)	**CASH AND BANK BALANCES**		
	Cash in Hand	21.72	12.17
	Remittances in Transit	-	45.71
	Balances with Banks	-	-
	In Current Accounts	977.94	166.47
	In Deposit Accounts	393.09	87.24
	In Unpaid/Unclaimed Dividend Accounts	8.02	7.17
		1400.76	**318.77**

(₹ in Million)

	Particulars	30th June 2012	30th June 2011
(18)	**SHORT TERM LOANS AND ADVANCES**		
	Unsecured - Considered Good		
	Prepaid Expenses	5.86	20.06
	Cenvat Credit Receivable	10.73	1.49
	Loans to Other Companies	285.19	100.19
	Operational Advances	486.05	433.52
	Advances to Employees	5.93	5.34
	Interest Accrued	43.96	23.70
	Tax Deducted at Source	310.91	412.74
	Others	660.78	849.20
		1809.41	**1846.25**
(19)	**OTHER CURRENT ASSETS**		
	Other	12.77	-
	Preliminary Exp. to the extent not written off	0.11	2.79
		12.88	**2.79**
	In the opinion of the Board, all assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.		
(20)	**REVENUE FROM OPERATIONS**		
	Freight, Demurrage and Miscellaneous Charges	9571.43	8691.56
	Logistics & Other Services	44.57	-
	Warehousing Charges	108.04	198.21
	Shipping Freight, Charter Hire, Miscellaneous charges	193.57	919.73
	Other Operating Income	38.00	-
	Sale of Products	1846.17	2220.33
		11801.78	**12029.83**
(21)	**OTHER INCOME**		
	Rent	1.90	1.40
	Excess Commission paid to Managing Director in earlier year recovered	2.13	-
	Miscellaneous Income	28.17	45.51
	Profit on sale of Fixed Asset (Net)	87.84	7.41
	Dividends	2.70	-
	Interest	37.71	18.80
	Profit on sale of Investments(Net)	891.80	-
	Difference in Exchange (Net)	36.72	10.24
		1088.97	**83.36**
(22)	**PURCHASE OF STOCK-IN-TRADE**		
	Diesel, Petrol, Lubricants	1441.86	2159.93
	Mobiles	354.50	-
	Others	0.24	-
		1796.60	**2159.93**
(23)	**CHANGES IN INVENTORIES OF STOCK-IN-TRADE**		
	Opening Stock	16.77	-
	Closing Stock	16.60	-
		0.17	**0.00**

(₹ in Million)

	Particulars	30th June 2012	30th June 2011
(24)	**OPERATING EXPENSES**		
	Freight	5255.39	5486.24
	Vehicles' trip Expenses	334.03	272.25
	Tyres and Tubes	25.83	19.87
	Warehouse Rent	37.64	65.11
	Other Operating Expenses	1042.69	379.85
	Claims for Loss & Damages (Net)	21.51	24.77
	Commission	3.60	30.22
	Vehicles' taxes	3.06	9.44
	Vehicles' and ships Insurance	14.99	21.64
	Power, Fuel and Water Expenses	237.30	219.28
	Stores and Spare Parts Consumed	28.42	22.22
	Transport and Warehousing	9.04	-
	Port and Survey Expenses	89.32	256.52
		7102.82	**6807.41**
(25)	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries, Wages and Bonus	1043.53	1021.27
	Gratuity	5.77	6.97
	Contribution to Provident and Other Funds	35.96	38.05
	Contribution to Employees' State Insurance	8.05	7.07
	Other Personnel Expenses	42.63	56.36
		1135.94	**1129.72**
(26)	**FINANCE COST**		
	Interest	602.51	499.53
	Other Borrowing Costs	16.70	16.86
		619.21	**516.39**
(27)	**DEPRECIATION AND AMORTIZATION EXPENSES**		
	Depreciation for the year	274.41	270.84
	Add: Amortization of foreign currency monetary item translation difference account	95.27	(16.45)
	Deduct:Transfer from Fixed Asset to Revaluation Reserve	0.10	0.13
		369.58	**254.26**
(28)	**OTHER EXPENSES**		
A	**ADMINISTRATIVE EXPENSES**		
	Rent	240.23	209.99
	Rates and Taxes	2.11	2.37
	Insurance(includes ₹ 2 Mn towards Keyman Insurance Policy; previous year ₹ 2 Mn)	13.95	11.13
	Telephone expenses	29.94	27.74
	Printing and Stationery	24.43	28.20
	Travelling Expenses	72.10	73.33
	Legal Expenses	12.93	16.61
	Advertisement Expenses	54.17	29.32
	Office Maintenance and Repairs	133.06	116.79
	Miscellaneous Expenses	296.60	341.12
	Other Admin.	22.07	-
	Remuneration to Directors	22.21	26.05
	Remuneration to Auditors:		
	Audit Fees	2.53	3.12
	Tax Audit Fees	0.81	0.78
	Bad Debts and irrecoverable balances written off (Net)(a)	20.57	13.30
	Preliminary Exp. Written off	0.01	-
	Charity and Donations	4.83	5.33
	(a) Includes provision for doubt ful debts ₹ 96,58,895	**952.53**	**905.16**

(₹ in Million)

	Particulars	30th June 2012	30th June 2011
B	**REPAIRS & MAINTENANCE EXPENSES**		
	Motor Trucks	21.23	23.05
	Other Vehicles	13.24	12.57
	Plant and Machinery	6.03	5.83
	Computers	10.99	25.82
	Buildings	0.41	0.97
	Computers	20.49	-
	Ships	15.77	34.74
	Dry docking expenses	13.02	-
		101.17	**102.98**
	OTHER EXPENSES TOTAL	**1053.70**	**1008.14**

Notes to Consolidated Financial Statements

(29) With a view to restructure its business and operations

a) The company has entered into Business Transfer Agreement(BTA) with its wholly owned subsidiary company, namely Redsun Supply Chain Solutions Limited(Since renamed as Gati Kintetsu Express Private Limited) for transfer of its Express Distribution and Supply Chain business division on a going concern basis without payment of any monetary consideration effective at the close of business hours on 31st March 2012.

b) The amount of assets ₹ 2550.56 Mn and liabilities ₹ 3801.150 Mn pertaining to the business division transferred to the subsidiary pursuant to the BTA.

c) No values have been assigned to any specific asset or liability comprised in the Business Division.

(30) a) The company has also entered into Business Transfer Agreement(BTA) with its wholly owned subsidiary company namely Gati Ship Private Limited for transfer of its shipping business division as a going concern on slump sale basis effective at the close of business hours on 31st March 2012 for a consideration of ₹ 1800 Mn.

b) In discharge of the consideration amount, Gati Ship Private Ltd has allotted to the company One Crore Equity Share of ₹ 10 each fully paid at a premium of ₹ 170 per share aggregating to ₹ 1800 Mn pursuant to the BTA

c) The amount of assets ₹ 3585.97 Mn and liabilities ₹ 684.07 Mn pertaining to the business division transferred to the subsidiary pursuant to the BTA.

d) No values have been assigned to any specific asset or liability comprised in the Business Division

(31)

Exceptional Items :	(₹ in Mn)
Business Transfer Expenses	45.29
Provision for Contingencies	100.00
Total	**145.29**

(32) The company has made investment in Share Capital and has also given loans & advances to two subsidiaries Kausar India Ltd. and Zen Cargo Movers Pvt. Ltd., including receivables from the subsidiaries aggregating to ₹ 346.60 Mn & ₹ 14.40 Mn respectively. The net worth of these two subsidiaries has fully eroded because of losses suffered from year to year. The business in which Kausar India Limited is the cold chain solutions. This business has a lot of potential. Kausar India Limited has always being making cash profits and the losses are only on account of depreciation. The business of Zen Cargo is clearing agency very closely related to the freight forwarding business of the parent company. The same is in the process of stabilization. Both the subsidiaries will continue to have the required support from holding company. The performance of this subsidiaries is expected to improve in the near future. Under the circumstances no provision is considered necessary by the management at present for any diminution in the value of investments and also in respect of loss that may arise from other receivables from the two subsidiaries.

(₹ in Million)

	33	30th June 2012	30th June 2011
a)	**Contingent Liability not provided for in respect of**		
	Bank Guarantees	151.34	190.86
	Guarantees and Counter Guarantees outstanding		471.35
	Estimated amount of contracts remaining to be executed on capital account and not provided for	38.97	36.00

b) During an earlier year the Company discontinued Freighter Aircraft operations as per the arrangement with National Aviation Company of India Ltd (NACIL), (the erstwhile Indian Airlines Ltd.,) due to continuous failure and defaults by NACIL. The matter now stands referred to the arbitration of the Arbitral Tribunal appointed by the parties. Pending decision of the Arbitral Tribunal a sum of ₹ 265.98 Mn 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 ₹ 265.98 Mn. The Company has filed its statement of Claim before the Arbitral Tribunal for the losses suffered against which NACIL has made counter claims. As per the legal advice received by the company, no liability is contemplated to arise in the matter and no provision is considered necessary in these accounts in this behalf .

c) 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 June 30, 2012, ₹ 88.11Mn has been carried forward in the " Foreign Exchange Monetary Translation Difference Account". Consequently the net profit is higher by ₹ 88.11Mn for year ended 30th June, 2012.

d) Due to inadequacy of profits, the remuneration paid to the Managing Director and erstwhile whole time Director is in excess of the prescribed limits under the Companies Act, 1956 by ₹ 22.47 Mn., which requires approval of the Share holders and the Central Government.

e) Tax provision in these accounts has been made considering the working results for the year ended 30th June, 2012. The actual tax liability will be determined on the basis of tax accounting year ended 31st March, 2012. (Assessment Year 2012-13).

f) Out of the 1,02,32,400 convertible warrants allotted to the promoter on 13th February, 2010, 8,50,000 warrants were exercised for conversion for allotment of shares on 31st March 2011. 93,82,400 warrants lapsed on 12th August, 2011,the upfront amount paid for allotment and amount received on allotment of warrants of ₹ 164.06 was forfeited and transferred to Capital Reserve Account.

g) The Company has granted options under the Companies Employees Stock Options Scheme and 19,48,141 Options are outstanding(Previous year 30,71,980) as at 30th June 2012. Of this 9,09,402 Options will vest in 2012-13, 7,84,539 Options in 2013-14, 2,06,200 options in 2014-15 and 48,000 options in 2015-16.

h) The Board of Directors of the Company has allotted 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds(FCCB) of US$1,000 each, thereby raising US$ 22.182 Mn. on December 12, 2011. The bonds are convertible 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 with a par value of ₹ 2 each with full voting rights at an initial conversion price of ₹ 38.51 per share with USD/INR reference exchange rate that is fixed at ₹ 52.2285 per US$. Unless previously converted, redeemed or purchased and canceled , the Bonds will be redeemed in US dollars at 132.8341 percent of principle amount on December 13, 2016 giving a Yield to Maturity of 5.76 percent per annum calculated on semi-annual basis. The FCCBs earlier issued which were listed on the Singapore Stock Exchange have been fully redeemed along with the redemption premium on 13th December 2011.

i) The Company has taken a ship on finance lease during the financial year 2008-09 and accordingly as per AS-19, the asset has been capitalized with corresponding Liability.

(₹ in Million)

Lease Payments	2011 - 12(June 30, 2012)		2010 - 11(June 30, 2011)	
	Lease Payments Obligations	Present Value of lease payments	Lease Payments Obligations	Present Value of lease payments
Repayable less than 1 year	113.04	100.04	1.18	1.04
1 year to 5 years	565.51	352.04	7.61	4.36
More than 5 years	342.87	145.74	-	-
Total	**1,021.42**	**597.81**	**8.79**	**5.40**

(₹ in Million)

		30th June 2012	30th June 2011
j)	**Earning per share**		
	(i) Net profit after tax available for equity shareholders - for Basic and Diluted EPS	415.07	141.02
	(ii) Weighted average no. of ordinary shares for Basic EPS (Nos.)	86.39	85,369,147
	Add : Adjustments for foreign currency convertible bonds and stock options (Nos.)	30.23	18,122,633
	Weighted average no. of ordinary shares for Diluted EPS (Nos.)	**116.62**	**103.49**
	(iii) Nominal value of Ordinary Shares (₹)	2.00	2.00
	(iv) Basic Earning per Ordinary Share (₹)	4.80	1.65
	(v) Diluted Earning per Ordinary Share (₹)	3.56	1.21

k) Related Party Disclosures

Related parties with whom transactions have taken place during the year

i) Directors / Key Management Personnel:

Mr. Mahendra Agarwal (Founder & CEO)

Mr. Lagad Himmat Singh Daulat Rao (Whole-Time Director)

ii) Relative of Key Management Personnel:

Mr. Anand Kumar Agarwal (Brother of Mr. Mahendra Agarwal)

iii) Associates

1. Gati Intellect Systems Ltd.
2. TCI Finance Ltd.
3. Giri Roadlines & Commercial Trading Pvt. Ltd.
4. Jubilee Commercials & Trading Pvt. Ltd.
5. Gati Shipping Ltd.
6. Gati Cargo Management Services Ltd.
7. TCI Hi-ways Pvt. Ltd.
8. TCI Industries Ltd.
9. Mahendra Kumar Agarwal & Sons (HUF)
10. ITAG Infrastructure Ltd.
11. ITAG Business Solutions Ltd.
12. Gati (Thailand) Ltd.
13. Mahendra Investment Advisors Pvt.Ltd.
14. Amrit Jal Ventures Ltd.

(₹ in Million)

SL	Nature of Transaction	Key Management Personnel & Relative of KMP	Associates	30th June 2012	30th June 2011
A	**Expenditure**				
	Rent		9.44	9.44	13.52
	Freight and Other Charges		906.28	906.28	167.11
	Port Expenses		3.92	3.92	9.86
	Interest				-
	Key Management Personnel				-
	Remuneration	23.96		23.96	25.64
B	**Receipts**				
	Freight and Other Charges		0.67	0.67	33.09
	Interest				
	Rent		0.34	0.34	-
C	**Finance and Investment**				
	Investments				
	Loans - Given				
	Loans - Repaid				
	Advances - Given		151.40	151.40	
	Advances - Repaid				
	Deposits and Advances - Given				1.60
	Deposits and Advances - Repaid				1.60
	Unsecured Loans - Fixed Deposits				
D	**Balance at the year end**				
	Investments		202.07	202.07	202.07
	Sundry Debtors		0.54	0.54	8.16
	Loans				
	Advances		151.40	151.40	-
	Sundry Creditors		24.04	24.04	8.39
	Deposits and Advances				
	Advances towards Fixed Assets	5.70		5.70	5.70
	Unsecured Loans - Fixed Deposits				
	Corporate Guarantees				

N)	**Additional Information**				
	I. Value of Imported and Indigeneous Stores & Spare Parts				
	Consumed during the year	%	Value	%	Value
	Imported	26.31	4.91	44.78	7.13
	Indigeneous	73.69	9.71	55.22	16.91
		100.00	**14.62**	100.00	**24.04**
	II. Expenditure in Foreign Currency				
	Travelling Expenses		6.87		8.40
	Insurance		3.29		6.17
	Port Expenses		63.22		135.86
	Charter Hire		70.18		59.39
	Dry docking expenses and Repairs		13.94		2.54
	Professtional Fee		4.88		23.29
	Miscellaneous		29.14		15.30
	III. Value of Imports on C.I.F. Basis				
	Spare Parts		4.91		7.13
	IV. Earnings in Foreign Currency				
	Freight		98.52		542.16

m) Previous year figures have been reclassified/regrouped to conform the Schedule VI(as amended) of the Companies Act, 1956.

n) Segment Information

Primary Business Segment

Express Distrubution and Supply Chain: Covers Intgrated cargo Services - Road / Rail and Air Transportation

Shipping : Covers Sea Transportation

Fuel Stations : Covers Fuel Stations dealing in petrol, diesel and lubricants etc.

(₹ in Million)

	Particulars	30th June 2012	30th June 2011
1)	**Segment Revenue (Net Sale / Income from each Segment)**		
	a) Express Distribution & Supply Chain	10830.63	9045.56
	b) Shipping	209.43	919.73
	c) Fuel Sales	1478.12	1301.74
	d) Other Sales	381.96	928.98
	Total	**12900.14**	**12196.00**
	Less: Inter Segment Revenue	9.39	166.19
	Net Sales / Income from Operations	**12890.75**	**12029.82**
2)	**Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)**		
	a) Express Distribution & Supply Chain	2754.62	957.60
	b) Shipping	-1351.11	0.77
	c) Fuel Sales	22.92	14.97
	d) Other Sales	5.51	10.01
	Total	1431.95	983.33
	Less: i) Interest (net of Income)	-619.21	-497.59
	ii) Other unallocable expenditure net off	-	-248.41
	Total Profit before tax	**812.74**	**237.33**
3)	**Capital Employed**		
	Segment Assets		
	a) Express Distribution & Supply Chain	6776.46	4835.36
	b) Shipping	2658.36	3527.35
	c) Fuel Stations	113.14	89.69
	d) Unallocated/ Corporate	389.81	978.59
	Total Assets	**9937.77**	**9430.99**
	Segment Liabilities		
	a) Express Distribution & Supply Chain	5303.91	4567.68
	b) Shipping	962.62	1354.73
	c) Fuel Stations	25.02	16.70
	Total Liability	**6291.55**	**5939.11**
	Capital Employed	**3646.22**	**3491.88**

Secondary Business Segment

(₹ in Million)

	Particulars	30th June 2012	30th June 2011
1)	**Segment Revenue (Net Sale / Income)**		
	a) India	12253.84	11548.98
	b) international	755.83	638.59
	Total	13009.68	12187.57
	Less: Inter Segment Revenue	118.93	93.19
	Net Sales / Income from Operations	**12890.75**	**12094.39**
2)	**Segment Results**		
	a) India	**1495.02**	**1002.08**
	b) international	-54.01	-18.74
	Total	**1440.01**	**983.34**
	Less: i) Interest	-628.26	-497.59
	ii) Other unallocable expenditure net off	-	-248.41
	Total Profit before tax	**812.75**	**237.34**
3)	**Capital Employed**		
	Segment Assets		
	a) India	9350.32	8317.97
	b) International	297.26	220.16
	Unallocated Corporate Assets	290.19	978.59
	Total Assets	**9937.77**	**9516.72**
	Segment Liabilities		
	a) India	6131.67	6659.97
	b) International	159.89	120.13
	Total Liability	**6291.56**	**6780.10**
	Capital Employed	**3646.22**	**2736.62**

o) The Consolidated Financial Statements include result of all the subsidiaries of Gati Ltd. (₹ in Million)

Name of Subsidiary Company	Country of Origin	% of Share Holding	Consolidated as
Gati Asia Pacific Pte. Ltd.(GAP)	Singapore	100% held by Parent	Subsidiary
Gati Hong Kong Ltd.	Hong Kong	100% held by GAP	Subsidiary
Gati China Holdings Ltd.(GCHL)	Mauritius	100% held by GAP	Subsidiary
Gati Cargo Express (Shanghai) Co. Ltd.	China	100% held by GCHL	Subsidiary
Gati Cargo Malaysia SDN BHD	Malaysia	100% held by GAP	Subsidiary
Gati Japan Ltd.(Dissolved)	Japan	100% held by GAP	Subsidiary
Gati Middle East FZE Ltd.(Dissolved)	UAE	100% held by GAP	Subsidiary
Newatia Commercial & Trading Pvt. Ltd.	India	100% held by Parent	Subsidiary
Trymbak Commercial & Trading Pvt. Ltd.	India	100% held by Parent	Subsidiary
Ocimum Commercial & Trading Pvt. Ltd.	India	100% held by Parent	Subsidiary
Sumeru Commercial & Trading Pvt. Ltd.	India	100% held by Parent	Subsidiary
Gati-Kintetsu Express Pvt. Ltd.	India	70% held by Parent	Subsidiary
Kausar India Ltd.	India	99.76% held by Parent	Subsidiary
Gati Import Export Trading Ltd.	India	100% held by Parent	Subsidiary
Zen Cargo Movers Pvt. Ltd.	India	97.24% held by Parent	Subsidiary
Gati Ship Private Ltd	India	100% held by Parent	Subsidiary
Gati Logistics Parks Private Ltd	India	100% held by Parent	Subsidiary
Gati Projects Private Ltd.	India	100% held by Parent	Subsidiary
Gati Express Distribution Pvt. Ltd.	India	100% held by Parent	Subsidiary

1) The accounts of the Subsidiary Companies have been audited by the respective statutory auditors and the financial statements of these Companies have been considered in the consolidation.

2) The Consolidated Financial Statements have been prepared on the following principles.

a) In respect of subsidiary company, the financial statements have been consolidated on aline by line basis by adding together the book values of like items of Assets, Liabilities, Income and expenditure, after fully eliminating intra-group balances and unrealized profits/losses on the intragroup trasactions as per Accounting Standard 21 "Consolidated Financial statement"

b) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized as "Translation reserve/ asset".

c) The excess of cost to the company of its investment in Subsidiary and Associate is recognized in the financial statement as good will, which is tested for impairment on every Balance Sheet date. The excess of company's share of equity and reserves of the Subsidiary bad Associate companies over the cost of acquisition is treated as capital reserve.

34) ACCOUNTING POLICIES

Recognition of Income & Expenditure

a) Income and expenditure are generally recognized on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.

b) In Express Distribution & Supply Chain, Freight Income is accounted when goods are delivered by the Company to customers. In Shipping, Freight Income is accounted when ships sail.

c) Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.

d) Having regard to the size of operations and the nature and complexities of the company's business, freight received/

paid in advance is accounted as income/expenses on payment and interdivisional transfers are eliminated.

e) Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation

Provident Fund

Provident fund contribution is remitted to appropriate authority.

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

a) Fixed assets are stated at cost and / or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.

b) Dry docking and other expenses at the time of acquisition of ships are capitalized.

c) Depreciation on the amount added to Fixed Assets on revaluation is adjusted by transfer of equivalent amount from revaluation reserve created on revaluation of Fixed Assets to Statement of Profit and Loss.

Depreciation

Depreciation is provided on straight line method at rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction.

Investments

Investments are stated at cost.

Foreign Exchange Transaction

a) Foreign currency transactions are recorded at average rate for the month.

b) Monetary items in foreign currency at the year end are converted in Indian currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance life of the long-term monetary item, not beyond 31 March 2020.

c) Any income or expense on account of exchange difference either on settlement or translation is recognized in the profit & loss account.

d) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.

Taxation

Income Tax

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision.The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognized whenever the recoverable amount of an asset is less than its carrying amount.

Accounting Policies of Subsidiaries

Significant Accounting Policies followed by subsidiaries, to the extent, different and unique from patent.
Gati Asia Pacific Pte. Ltd.

a) Depreciation

Depreciation on Fixed Assets is calculated on a straightline basis over the estimated useful life of the assets as follows

Motor vehicles	7 years
Equipment	3 years
Computers	3 years
Furniture & Fixtures	3 years
Office equipment's	3 years

b) Basis of Preparation

The consolidated financial statements of the overseas subsidiaries have been prepared in accordance with the Singapore Financial Reporting Standards("FRS"). In the current financial year, the company has adopted all the new and revised FRS's and interpretations of FRS(INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1st July 2011.

Signatures to Notes "1" to "34"

In terms of our Report of even date

For R. S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : F-5534

Secunderabad
August 9, 2012

For and on behalf of the Board

Sanjeev Jain
Director-Finance

VSN Raju
Company Secretary

K.L. Chugh
Chairman

Mahendra Agarwal
Founder & CEO

N.Srinivasan
Director

Cash Flow Statement for the year ended 30th June 2012

(₹ in Million)

Particulars	30th June 2012	30th June 2011
(I) Cash flows from Operating Activities		
Net Profit After Tax	415.07	141.02
Add :	0.00	0.00
Provision for tax	252.38	96.31
Exceptional Items	145.29	-
Net profit before taxation and exceptional items	**812.74**	**237.33**
Adjustment for Non-Cash and Non-Operating Items.		
Depreciation	369.58	254.26
Other Personnel expenses	0.00	15.96
Interest on borrowings (Net)	619.21	497.59
Bad debts written off (Net)	20.57	13.30
(Profit) / Loss on sale of Investment	-891.80	0.00
(Profit) / Loss on sale of fixed assets (Net)	-87.84	-7.41
Interest Income	-37.71	-
Dividend Income	-2.70	-
Rental income received	-1.90	-1.40
Operating profits before working capital changes	**800.15**	**1009.65**
(Increase) / Decrease in Sundry debtors (Net of Bad debts)	-44.40	-419.02
(Increase) / Decrease in Inventories	13.19	5.83
(Increase) / Decrease in Loans & Advances	-550.36	-495.27
(Increase) / Decrease in Other current assets	-0.61	-143.68
(Increase / (Decrease) in Short Term Borrowings	66.26	165.79
Increase / (Decrease) in Trade Payables	-44.09	256.79
Increase / (Decrease) in Other Liabilities	-1454.99	468.88
Increase / (Decrease) in Provisions	-123.24	1.80
Cash generated from operations	**-1338.09**	**850.77**
(Income tax paid) Net tax refund received	192.57	-100.32
Exceptional Items	-145.29	0.00
Net Cash from Operating Activities	**-1290.81**	**750.45**
(II) Cash Flow from Investing Activities		
(Increase) / Decrease in Capital WIP	-8.25	-16.25
(Increase) / Decrease in Capital Advances (Net)	-130.64	-46.81
(Increase) / Decrease in FCMITD	-88.11	6.66
Proceeds from sale of investments	892.30	-
Interest received	37.71	18.80
Dividend Income	2.70	0.00
Rent income	1.90	1.40
(Purchase) / Sale of Fixed Assets (Net)	72.35	-244.43
Net Cash from Investing Activities	**779.95**	**-280.63**
(III) Cash Flow from Financing Activities		
Issue of Share Capital	1.15	36.98
Increase / (Decrease) in Reserve	-125.41	-
Increase / (Decrease) in Share premium	947.79	0.00
Receipt of Secured Loans	0.00	1189.13
Repayment of Secured Loans	-387.63	-620.93
Increase in minority interest	536.67	0.00
Receipt of Unsecured Loans	1252.74	-397.94
Dividend Paid (including dividend tax)	-49.98	-39.13
Interest on loans paid	-619.21	-521.20
Net Cash from Financing Activities	**1556.14**	**-353.09**
Foreign Currency translation difference	36.72	10.24
Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	**1082.00**	**126.97**
Cash and Cash equivalents in the beginning of the year	318.77	191.80
Cash and Cash equivalents in the end of the year	1400.76	318.77
Cash flow from Activities during the year	**1082.00**	**126.97**

Notes :

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India.
2. Previous year figures have been regrouped / reclassified, where ever necessary.

In terms of our Report of even date

For R. S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : F-5534

Secunderabad
August 9, 2012

Sanjeev Jain
Director-Finance

VSN Raju
Company Secretary

For and on behalf of the Board

K.L. Chugh
Chairman

Mahendra Agarwal
Founder & CEO

N.Srinivasan
Director

DECLARATION

The Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Mr. Sanjeev Kumar Jain

Director – Finance

Date: April 15, 2015

Place: Hyderabad

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Mr. Sanjeev Kumar Jain

Director – Finance

Date: April 15, 2015

Place: Hyderabad

I am authorized by the QIP Committee of the Board of Directors of our Company, vide resolution dated April 15, 2015 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

Date: April 15, 2015

Place: Hyderabad

GATI LIMITED

Registered Office
Plot No.20, Survey No.12,
Kothaguda, Kondapur,
Hyderabad-500084, Telangana, India

Telephone No.: +91 40 27844284; Facsimile No.: +91 40 27894284
Website: www.gati.com
CIN: : L63011TG1995PLC020121

Compliance Officer
Mr. VSN Raju, Company Secretary
Plot No.20, Survey No.12,
Kothaguda, Kondapur,
Hyderabad-500084, Telangana, India
Telephone No.: +91 40 27844284; Facsimile No.: +91 40 23112316
E-mail: vsn.raju@gati.com

BOOK RUNNING LEAD MANAGERS

Motilal Oswal Investment Advisors Private Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot,
Prabhadevi, Mumbai 400 025,
Maharashtra, India
Tel: +91 22 3980 4380
Fax: +91 22 3980 4315

Systematix Corporate Services Limited
The Capital, A Wing 603-606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex
Bandra East, Mumbai 400051
Maharashtra, India
Tel: +91 22 6704 8000
Fax: +91 22 6704 8022

AUDITORS TO THE COMPANY

M/s R.S. Agarwala & Co., Chartered Accountants
Chartered Accountants, 28, Black Burn Lane, Kolkata 700012, India

LEGAL ADVISORS TO THIS ISSUE

As to Indian law

Rajani, Singhania & Partners
204-207, Krishna Chambers
59, New Marine Lines
Mumbai 400020, India

As to Distribution and Solicitation Restrictions under International law

Squire Patton Boggs Singapore LLP
10 Collyer Quay
#03-01/02 Ocean Financial Center
Singapore 049315