

**ANNUAL REPORT
2012-13
(ABRIDGED)**



Board of Directors

Mr. K L Chugh	-	Chairman
Mr. Mahendra Agarwal	-	Founder & CEO
Dr. Ram S Tarneja	-	Director
Mr. N Srinivasan	-	Director
Dr. P S Reddy	-	Director
Mr. P N Shukla	-	Director
Mr. Sunil Kumar Alagh	-	Director
Mr. APVN Sarma	-	Director
Mr. Yoshinobu Mitsuhashi	-	Director
Mr. Sanjeev Jain	-	Director-Finance

Company Secretary

Mr. VSN Raju

Auditors

M/s. R.S. Agarwala & Co.,
Chartered Accountants

Bankers

State Bank of India
ICICI Bank Limited
Axis Bank
DCB Bank
Standard Chartered Bank
The South Indian Bank
Syndicate Bank
Kotak Mahindra Bank
Catholic Syrian Bank

Registered Office

I-7-293, M.G. Road
Secunderabad - 500003
Andhra Pradesh, India
Email: investor.services@gati.com
Tel : +91 40 27844284
Fax : +91 40 27894284

Registrars & Transfer Agents

M/s. Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500081
Andhra Pradesh, India.
Email: mohsin.mohd@karvy.com
Tel : +91 40 44655000, Extn.: 51, 52
Fax : +91 40 44655024

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Notice to Shareholders

Notice is hereby given that the 18th Annual General Meeting of the Company will be held on Wednesday, the November 6, 2013 at 10.30 am at Hotel Radisson BLU, 8-2-409, Road no.6, Banjara Hills, Hyderabad – 500 034 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at June 30, 2013, the statement of Profit & Loss for the year ended on that date and the reports of the Directors' and Auditors' thereon.
2. To declare dividend on the equity shares of the Company for financial year 2012-13.
3. To appoint a Director in place of Mr. N Srinivasan, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sunil Kumar Alagh, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. APVN Sarma, who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint the Statutory Auditors and Branch Auditors to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Special Business:

7. To consider and if thought fit to pass with or without modification(s), the following as an ordinary resolution:

“RESOLVED THAT Mr. P N Shukla, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (“the Act”) and Article 115 of the Articles of Association of the Company and in respect of whom the Company has received notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation.”

8. To consider and if thought fit to pass with or without modification(s), the following as a special resolution:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of other statutes as applicable and subject to such approvals as may be necessary, the Articles of Association of the Company be and is hereby altered in the following manner:

The following clauses shall be inserted in Article 2 as:

Investor Director

n) “Investor Director” means the KWE Nominee Director appointed from time to time to the Board of the company in accordance with these Articles or their respective alternates appointed in accordance with the Articles and an “Investor Director” means any one of them.

Liquidity Event

o) Liquidity Event shall mean the occurrence of:

Shareholding of KWE in Gati-Kintetsu Express Private Limited, a subsidiary of the company falling to a level below 10% of the total issued and paid-up equity share capital.

The following clause shall be inserted after Article 109 as:

KWE Designated Directors

109A. The Board shall always consist of one KWE Designated Director, till the occurrence of the Liquidity Event. The Company shall procure that the KWE Designated Director is not declared, identified or designated as an occupier of any factory in relation to the Company or as an employer of any employees of the Company.

By order of the Board
for **GATI LIMITED**

Secunderabad
July 31, 2013

VSN Raju
Company Secretary

NOTES:

- 1) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ("Act") in respect of the business under Item Nos. 7 and 8 above, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 3,4,5 and 7 of the Notice, are also annexed.
- 2) A member entitled to attend and vote at the annual general meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
- 3) Shareholders are requested to bring their copy of annual report to the Meeting. In accordance with the SEBI Guidelines, only abridged standalone and consolidated annual accounts for the year ended June 30, 2013 are circulated. Any member desirous of having a copy of detailed accounts may write to the Company and copies thereof will be available for reference at the venue of the Meeting.
- 4) The Register of Members and Share Transfer Books will remain closed from November 4, 2013 to November 6, 2013 (both days inclusive).
- 5) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 6) The members who have not surrendered their old share certificates (Issued by the then M/s. Transport Corporation of India Limited, now known as TCI Industries Ltd., the transferor Company, under the Scheme of Arrangement) are requested to surrender their old share certificates to M/s. TCI Industries Limited, Mukesh Textile Mills, N A Sawant Marg, Colaba, Mumbai – 400 005 to obtain their new share certificates of four companies including this Company.
- 7) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
- 8) Final Dividend on equity shares as recommended by the Board of Directors for the year ended June 30, 2013, if approved at the meeting, will be paid within the stipulated time:
 - (a) To those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company on or before November 4, 2013.
 - (b) In respect of shares held in electronic form, to those whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours of November 4, 2013.
- 9)
 - a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.
 - b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
- 10) Pursuant to the provision of Section 205C of the Companies Act, 1956 as amended, dividend for the financial year ended June 30, 2006, and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF). Shareholders who have not encashed their dividend warrant(s) so far for the financial year ended June 30, 2006 or any subsequent financial years are requested to make their claim to the office of the Registrar and Share Transfer Agents, M/s Karvy Computershare Pvt. Ltd.
- 11) The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Company / RTAs for registration of such transfer of shares.

- 12) The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s.Karvy Computershare Pvt. Ltd.
- 13) Shareholders are requested to update their complete profile along with ECS details, as per the format annexed at the end of this annual report, to enable us to serve you better.
- 14) Details of Directors seeking re-appointment /appointment at the Annual General Meeting scheduled to be held on November 6, 2013, (Pursuant to Clause 49 (IV)(E) and 49(IV)(G)(i) of the Listing Agreement) are given below:

Name of the Director	Mr. N Srinivasan	Mr. Sunil Kumar Alagh
Qualification	FCA	Graduate in Economics (Hons.) & MBA (IIM, Calcutta)
Expertise in specific functional areas	<p>Mr. Srinivasan was the Senior Partner of Fraser & Ross and Deloitte Haskins & Sells. Mr. Srinivasan is closely associated with development of profession of accounting and auditing in India, having been the past Chairman of the Southern India Regional Council and a Central Council Member of the Institute of Chartered Accountants of India. He was the past President of Institute of Internal Auditors India, the Regional President and Director of Internal Auditors Inc., Florida and Madras Chamber of Commerce & Industry. He is a Managing Committee Member of Indo-Australian Chamber of Commerce, Associated Chamber of Commerce & Industry and Madras Chamber of Commerce & Industry and Employees Federation of Southern India. He is on the Board of several reputed Companies.</p>	<p>Mr. Sunil Alagh is Chairman of SKA Advisors, a Business Advisory / Consultancy firm with a focus on Marketing and Brand building strategies. He has worked with ITC Ltd. Jagatjit Industries Ltd. and Britannia Industries Ltd. He was the MD & CEO of Britannia Industries Ltd. from 1989 to 2003. During his tenure, Britannia figured in the Forbes Magazine list of 300 Best Small Companies in the world for 3 years. It also became No.1 Food Brand in India.</p> <p>He is a Member of Board of Governance of IIM, Bangalore, in addition he is on the Advisory Board of Jawaharlal Darda Institute of Engineering & Technology, Yavatmal and on the Executive Committee of the Federation of India Chambers of Commerce and Industry (FICCI). He is a former member of the Board of IL&FS Investsmart Ltd, the Indian Advisory Board of Schindler, Switzerland and the Round Table on Higher Education under the Ministry of HRD, Government of India. He was also an erstwhile Member of the Board of Governors of the IIM, Indore and Governing Council of the National Institute of Design, Ahmedabad.</p> <p>He was honoured with the 'Gold Medal Kashalkar 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.</p>

Name of the Director	Mr. N Srinivasan	Mr. Sunil Kumar Alagh
Date of Appointment on the Board of the Company	18.10.2000	22.04.2004
Details of Shares held in the Company as on 30.06.2013	56,000	1,04,500
List of Companies in which outside Directorships held as on 30.06.2013 (excluding Private, Section 25 & Foreign Companies)	United Breweries (Holdings) Ltd., Tractors and Farm Equipment Ltd., UB Engineering Ltd., India Cements Capital Ltd., Redington (India) Ltd., The United Nilgiri Tea Estates Company Ltd., Trinetra Cement Ltd. TAFE Motors & Tractors Ltd., Essar Shipping Ltd. Mc Dowell Holdings Ltd., The India Cements Ltd., Kartiken Logistics Ltd. Best & Crompton Engineering Ltd. Redington (India) Investments Ltd.	United Breweries Ltd., Indofil Industries Ltd. and Gati Import Export Trading Ltd.
Chairman / Member of the Committees of other Companies on which he is a Director as on 30.06.2013	Chairman of Audit committee in United Breweries (Holdings) Ltd., UB Engineering Ltd., Redington (India) Ltd., TAFE Motors & Tractors Ltd., Member of Audit Committee in Tractors and Farm Equipment Ltd., India Cements Capital Ltd., Essar Shipping Ltd., The United Nilgiri Tea Estates Company Ltd.,	Chairman of Remuneration Committee in United Breweries Ltd., Member of Audit Committee in United Breweries Ltd and Chairman of Shareholders / Investors' Grievance Committee in Indofil Industries Ltd.
Category	Independent Director	Independent Director
Relationship with other directors	Not related to any other Director	Not related to any other Director

Name of Director	Mr. APVN Sarma	Mr. P N Shukla
Qualification	Mr. APVN Sarma joined the Indian Administrative Service in 1974	M Sc Physics & LLB from Allahabad University and graduated in Business Management from Perth University, Australia
Expertise in specific functional areas	Mr. APVN Sarma joined the Indian Administrative Service in 1974 and held a series of posts in districts and departments in AP. He was the Collector and District Magistrate in Nalgonda, Guntur and Warangal districts, headed the Enforcement divisions in the State Commercial Tax and State Excise departments and also a member Secretary of the Andhra Pradesh State Electricity Board during 1989-1992. He was Secretary to Govt. of AP in General Administration Department (1992-95) and later in the Medical, Health and Family Welfare Department (1995-1996). Mr. Sarma was Chairman and Managing Director of Singareni Collieries Company Ltd., Joint Secretary (Coal) in the Department of Coal, Government of India. Mr. Sarma served for two years as the Chief Executive of Tirumala Tirupati Devasthanam, a trust that manages the renowned Balaji Temple. He also worked as Secretary, Ministry of Shipping in Government of India from February, 2008 till superannuation on October 31, 2009.	He is a Rail transport Operations & Logistics specialist. He worked in various capacities in Safety, Commercial & Operations department in Railways. He started his career on Central Railway and worked on Northern, South Central, South-Western Railways & Railway Boards respectively. His association with Coal, Steel, POL, Minerals, Containers and Express cargo movement of Railways has been long and intense. He is advising ports for infrastructure requirements and is a management consultant.