

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30th JUNE, 2010

(Rs. in lakhs)

| Particulars | Standalone | | Consolidated | |
|--|------------|------------|--------------|------------|
| | Year Ended | | Year Ended | |
| | 30.06.2010 | 30.06.2009 | 30.06.2010 | 30.06.2009 |
| Income from Operations | 74,472 | 61,808 | 80,044 | 67,438 |
| Net Sales | - | - | 12,567 | 11,603 |
| Other Operating Income | 650 | 1,208 | 688 | 1,242 |
| Total Income | 75,122 | 63,016 | 93,299 | 80,283 |
| Expenditure: | | | | |
| - Cost of Sales | - | - | 12,248 | 11,319 |
| - Operating Expenses | 48,796 | 41,569 | 53,607 | 46,452 |
| - Employees Cost | 8,913 | 8,040 | 9,490 | 8,569 |
| - Administrative Expenses | 7,596 | 6,497 | 8,009 | 6,948 |
| - Repairs & Maintenance | 1,225 | 773 | 1,244 | 787 |
| - Depreciation | 2,387 | 2,301 | 2,718 | 2,638 |
| Total | 68,917 | 59,180 | 87,317 | 76,713 |
| Profit from Operations before Other Income, Interest, exceptional items and Tax | 6,205 | 3,836 | 5,982 | 3,570 |
| Other Income | 19 | 17 | 46 | 13 |
| Interest (Net) | 4,309 | 3,541 | 4,425 | 3,656 |
| Profit/(Loss) after Other Income, Interest but before exceptional items and Tax | 1,915 | 312 | 1,602 | (73) |
| Exceptional Item | - | (1,688) | - | (1,688) |
| Profit/ (Loss) before Tax | 1,915 | (1,376) | 1,602 | (1,761) |
| Tax Expense | 404 | 129 | 653 | 105 |
| Net Profit/ (Loss) for the year | 1,511 | (1,505) | 950 | (1,866) |
| Paid up Equity Share Capital (Face Value of the Share Rs.2/- each) | 1703 | 1698 | 1703 | 1698 |
| Reserves excluding revaluation reserve | 26007 | 25299 | 24803 | 24625 |
| Earnings Per Share (EPS) | | | | |
| a) Basic | 1.78 | (1.78) | 1.12 | (2.20) |
| b) Diluted | 1.62 | (1.65) | 1.02 | (2.04) |
| Public Shareholding | | | | |
| - No. of shares | 43395982 | 43117132 | 43395982 | 43117132 |
| - Percentage of shareholding | 50.96 | 50.80 | 50.96 | 50.80 |
| Promoter & Promoter Group shareholding | | | | |
| a) Pledged / Encumbered- No. of shares | 34786700 | 26591000 | 34786700 | 26591000 |
| - Percentage of shares (as a % of the total shareholding of Promoter & Promoter group) | 83.30 | 63.67 | 83.30 | 63.67 |
| - Percentage of shares (as a % of the total share capital of the company) | 40.85 | 31.33 | 40.85 | 31.33 |
| b) Non-encumbered | | | | |
| - No. of shares | 50368200 | 15167918 | 50368200 | 15167918 |
| - Percentage of shares (as a % of the total shareholding of Promoter & Promoter group) | 16.70 | 36.33 | 16.70 | 36.33 |
| - Percentage of shares (as a % of the total share capital of the company) | 59.15 | 17.87 | 59.15 | 17.87 |

Notes:

- The consolidated financial results include those of the fifteen subsidiaries including seven overseas subsidiaries.
- The Paid-up Equity Share Capital of the Company was increased during the year from Rs.169,752,100/- to Rs.170, 309,800/- on allotment of 278,850 equity shares of Rs.2/- each at a premium of Rs.29.20 per share under ESOS Plan on 24.12.2009.
- Pursuant to the Company exercising option permissible under Accounting Standard 11 "Effect of changes in Foreign Exchange Rates" effective from 1st July 2007, the profit after tax for the year is less by Rs.207.90 lakhs and fixed assets lower by Rs.36.22 lakhs.
- Company has raised an Arbitral dispute with the National Aviation Company of India Limited ("NACIL") in respect of certain disputes that had arisen between the Company and NACIL arising out of the Wet Lease Agreement, the Company had entered into with NACIL in the year 2007. NACIL invoked the Bank guarantee of Rs. 3000 Lakhs in 2009. The Company had raised claims on NACIL in respect of the continuous breaches committed by it during the tenure of the Wet Lease Agreement. NACIL has in turn raised certain counter claims on the Company in the proceedings which are disputed. The disputes are pending adjudication. No orders have been passed against the Company nor have any claims been adjudicated in the matter as on date in the said proceedings. Based on the opinion of the Company's Attorney, no provision is considered necessary by the Management at this stage. The Statutory Auditors in their Report have stated their inability to express an opinion in the above matter.
- 2,807,980 Options under Employee Stock Options Scheme were outstanding as on 30th June 2010.
- Tax expense for the current year represents Minimum Alternate Tax, Tonnage Tax and Deferred Tax.
- Gati Cargo Malaysia Pvt. Ltd. was incorporated on 7th July 2010 as a step down subsidiary.
- (a) The appointment of and remuneration of Rs.65.86 lakhs paid to the Whole-Time Director for the period from 1st December 2009 to 30th June 2010 require the approvals of the shareholders and the Central Government.
(b) Due to inadequacy of profit, the remuneration paid to Managing Director for the year is in excess of the limit prescribed under the Companies Act, 1956 by Rs.64.75 lakhs which require the approval of the shareholders and the Central Government.
- The Directors have recommended a dividend of Rs.0.40 per share (20%) for the year ended 30th June 2010.
- The Board of Directors has approved a scheme of arrangement for demerger of Coast to Coast division into a wholly owned subsidiary with effect from 1st July 2010 for better focussed exploitation of opportunities, subject to the required approvals.

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For Gati Limited
Mahendra Agarwal
Managing Director & CEO

Segment-wise Revenue, Results and Capital Employed

(Rs. in lakhs)

| Particulars | Standalone | | Consolidated | |
|--|------------|------------|--------------|------------|
| | Year Ended | | Year Ended | |
| | 30.06.2010 | 30.06.2009 | 30.06.2010 | 30.06.2009 |
| 1. Segment Revenue (Net Sale / Income from each Segment) | | | | |
| a) Express Distribution & Supply Chain | 65,203 | 52,545 | 72,038 | 58,947 |
| b) Coast to Coast (Shipping) | 9,323 | 9,349 | 9,323 | 9,349 |
| c) Fuel Sales | - | - | 11,671 | 10,938 |
| d) Other Sales | - | - | 896 | 665 |
| Less: Inter Segment Revenue | 54 | 86 | 1,317 | 858 |
| Net Sales / Income from Operations | 74,472 | 61,808 | 92,611 | 79,041 |
| 2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment) | | | | |
| a) Express Distribution & Supply Chain | 7,906 | 3,425 | 7,520 | 3,439 |
| b) Coast to Coast (Shipping) | 206 | 1,976 | 206 | 1,976 |
| c) Fuel Sales | - | - | 154 | 129 |
| d) Other Sales | - | - | 36 | 12 |
| Total | 8,112 | 5,401 | 7,916 | 5,556 |
| Less: i) Interest (net of Income) | (4,309) | (3,541) | (4,425) | (3,656) |
| ii) Other unallocable expenditure net off | (1,888) | (1,549) | (1,888) | (1,974) |
| Add: i) Other unallocable income / (loss) | - | (1,688) | - | (1,688) |
| Total Profit / (Loss) before tax | 1,915 | (1,376) | 1,602 | (1,761) |
| 3. Capital Employed (Segment Assets - Segment Liabilities) | | | | |
| a) Express Distribution & Supply Chain | 4,056 | 4,912 | 6,118 | 6,657 |
| b) Coast to Coast (Shipping) | 16,886 | 14,616 | 16,886 | 14,616 |
| c) Fuel Stations | - | - | 786 | 624 |
| d) Unallocated Corporate Assets | 9,044 | 8,404 | 3,087 | 3,312 |
| Total | 29,986 | 27,932 | 26,878 | 25,209 |

11. Statement of assets and liabilities as required under Clause 41(1)(ea) of the listing agreement.

(Rs. in lakhs)

| Particulars | Standalone | | Consolidated | |
|--|------------|------------|--------------|------------|
| | Year Ended | | Year Ended | |
| | 30.06.2010 | 30.06.2009 | 30.06.2010 | 30.06.2009 |
| Shareholders' Funds : | | | | |
| (a) Capital | 1,703.10 | 1,697.52 | 1,703.10 | 1,697.52 |
| (b) Reserves and Surplus (including Revaluation Reserve) | 26,700.38 | 26,076.58 | 25,496.05 | 25,317.02 |
| Loan Funds | 47,136.06 | 47,030.58 | 47,177.34 | 47,676.69 |
| Minority Interest | - | - | 1.70 | 1.15 |
| Deferred Tax Liability | 848.45 | 811.79 | 959.66 | 736.92 |
| Total | 76,387.99 | 75,616.46 | 75,337.85 | 75,429.30 |
| Goodwill on consolidation | - | - | 2,068.21 | 2,007.66 |
| Fixed Assets | 44,276.30 | 46,904.72 | 45,334.14 | 48,163.02 |
| Investments | 7,062.61 | 6,577.87 | 2,020.79 | 2,036.53 |
| Foreign Currency Monetary Item | | | | |
| Translation Difference | 66.56 | 275.89 | 66.56 | 275.89 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | | |
| (a) Inventories | 1,024.22 | 454.25 | 1,269.30 | 702.10 |
| (b) Sundry Debtors | 13,302.25 | 10,763.14 | 14,972.56 | 12,132.25 |
| (c) Cash and Bank balances | 1,268.68 | 1,353.85 | 1,911.06 | 2,134.56 |
| (d) Loans and Advances | 17,716.96 | 15,031.56 | 17,090.07 | 14,980.30 |
| Less: Current liabilities and provisions | | | | |
| (a) Liabilities | (4,774.25) | (3,616.16) | (5,864.60) | (4,764.63) |
| (b) Provisions | (3,555.33) | (2,128.67) | (3,560.57) | (2,265.52) |
| Miscellaneous expenditure (not written off or adjusted) | - | - | 30.31 | 27.13 |
| Total | 76,387.99 | 75,616.46 | 75,337.85 | 75,429.30 |

- The previous year figures have been regrouped / rearranged wherever necessary to make them comparable.
- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 18th August 2010.
- Four complaints received from investors during the quarter have been resolved. There were no complaints outstanding at the beginning or at the end of the quarter.



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