

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 31st MARCH, 2010

(Rs. in lakhs)

| Particulars | Quarter Ended | | Nine Months Ended | | Year Ended |
|--|---------------|---------------|-------------------|---------------|---------------|
| | 31.03.10 | 31.03.09 | 31.03.10 | 31.03.09 | 30.06.2009 |
| 1. (a) Net Sales/Income from Operations | 18811 | 15101 | 53811 | 46569 | 61808 |
| (b) Other Operating Income | 108 | 378 | 475 | 627 | 1192 |
| Total Income | 18919 | 15479 | 54286 | 47197 | 63000 |
| 2. Expenditure | | | | | |
| a) Operating Expenses | 12247 | 10181 | 35076 | 32140 | 41569 |
| b) Employees Cost | 2197 | 1900 | 6483 | 5829 | 8040 |
| c) Administrative Expenses | 2102 | 1701 | 5534 | 4920 | 6478 |
| d) Repairs & Maintenance Expenses | 325 | 375 | 771 | 610 | 773 |
| e) Loss on sale of Fixed Assets (Note 5) | 30 | - | 43 | 1 | 19 |
| f) Depreciation | 567 | 510 | 1840 | 1418 | 2301 |
| 3. Total | 17468 | 14667 | 49747 | 44918 | 59180 |
| 4. Profit from operations before other Income, Interest, exceptional items & Tax | 1450 | 812 | 4538 | 2279 | 3820 |
| 5. Other Income | 9 | - | 25 | - | 33 |
| 6. Interest (Net) | 966 | 839 | 3282 | 2153 | 3541 |
| 7. Profit/(Loss) after other Income, Interest but before exceptional items & Tax | 494 | (27) | 1281 | 126 | 312 |
| 8. Exceptional Items | - | (1661) | - | (1688) | (1688) |
| 9. Profit/ (Loss) before Tax | 494 | (1688) | 1281 | (1562) | (1376) |
| 10. Tax Expense | 83 | 18 | 259 | 86 | 129 |
| 11. Net Profit/(Loss) | 411 | (1706) | 1022 | (1648) | (1505) |
| 12. Paid-up equity share capital (Face Value of the Share -Rs.2/- each) | 1703 | 1698 | 1703 | 1698 | 1698 |
| 13. Reserves excluding revaluation reserves as per balance sheet of previous accounting year | - | - | - | - | 25385 |
| 14. Earnings Per Share (EPS) | | | | | |
| a) Basic EPS (Rs.) | 0.48 | (2.01) | 1.20 | (1.95) | (1.78) |
| b) Diluted EPS (Rs.) | 0.44 | (1.96) | 1.09 | (1.88) | (1.65) |
| 15. Public Shareholding | | | | | |
| - No. of shares | 43395982 | 43123152 | 43395982 | 43123152 | 43117132 |
| - Percentage of shareholding | 50.96 | 50.80 | 50.96 | 50.80 | 50.80 |
| 16. Promoter & Promoter Group shareholding | | | | | |
| a) Pledged/Encumbered | | | | | |
| - No. of shares | 31500000 | 28515148 | 31500000 | 28515148 | 26591000 |
| - Percentage of shares (as a % of the total shareholding of Promoter & Promoter group) | 75.44 | 68.30 | 75.44 | 68.30 | 63.67 |
| - Percentage of shares (as a % of the total share capital of the company) | 36.99 | 33.60 | 36.99 | 33.60 | 31.33 |
| b) Non-encumbered | | | | | |
| - No. of shares | 10258918 | 13237750 | 10258918 | 13237750 | 15167918 |
| - Percentage of shares (as a % of the total shareholding of Promoter & Promoter group) | 24.56 | 31.70 | 24.56 | 31.70 | 36.33 |
| - Percentage of shares (as a % of the total share capital of the company) | 12.05 | 15.60 | 12.05 | 15.60 | 17.87 |

Notes:

- During the quarter, convertible warrants of 4,872,000 numbers at the rate of Rs.81/- per warrant and 5,360,400 numbers at the Rs.58/- per warrant were allotted to Mr. Mahendra Kumar Agarwal, one of the promoters of the Company on preferential basis.
- During the quarter, the 2,127,500 options at a price of Rs. 47.75 per option were granted under Employees Stock Option Scheme. The number of options outstanding as on March 31, 2010 was 2,989,860.
- During the previous year, Company was constrained to discontinue the freighter business and terminated the arrangement with National Aviation Company of India Limited (NACIL) resulting in Arbitral dispute and NACIL invoked the Bank Guarantee of Rs.3000 Lakhs. Pursuant to the above, the Company has filed its claim before the Tribunal and NACIL has made a counter claim. The dispute is pending adjudication before the Arbitral Tribunal and the proceedings are in progress. In the opinion of the Company's Attorney, no provision is considered necessary at this stage. The Auditors in their limited review report have stated their inability to express an opinion in the matter.
- Following the Company opting for adoption of amended Accounting Standard AS 11, depreciation for the current quarter is net of amortized gain to the extent of Rs.21.07 Lakhs on account of amortization of Foreign Currency Monetary Items Translation Difference and depreciation of Rs.19.36 Lakhs, the cumulative effect of which is that the profit for the quarter is more by Rs.1.71 Lakhs and the value of the Fixed Assets is less by Rs.48.51 Lakhs.
- During the quarter two old vessels were sold resulting in the net loss of Rs. 31 Lakhs.
- The Board has approved in-principle investment up to Rs. 613 Lakhs which is equivalent of 5% of the proposed equity share capital of Gati Infrastructure Bhasmey Power Private Limited in which the Company is one of the sponsors.
- Dry docking expenses are being accounted in equated instalments spread over the current financial year and the amount absorbed in this quarter is Rs.145 Lakhs. Attention has been drawn to this treatment in the limited review report.

Segment wise Revenue, Results and Capital Employed

(Rs. in lakhs)

| Particulars | Quarter Ended | | Nine Months Ended | | Year Ended |
|---|---------------|---------------|-------------------|---------------|---------------|
| | 31.03.10 | 31.03.09 | 31.03.10 | 31.03.09 | 30.06.2009 |
| 1. Segment Revenue (Net Sale/ Income from each Segment) | | | | | |
| a) Express Distribution & Supply Chain | 16303 | 12198 | 47204 | 39463 | 52459 |
| b) Coast to Coast (Shipping) | 2508 | 2903 | 6608 | 7106 | 9349 |
| Net Sales/Income from Operations | 18811 | 15101 | 53811 | 46569 | 61808 |
| 2. Segment Results (Profit (+)/Loss (-) before tax and interest from each segment) | | | | | |
| a) Express Distribution & Supply Chain | 1852 | 486 | 5918 | 1077 | 3455 |
| b) Coast to Coast (Shipping) | 110 | 326 | 50 | 1202 | 1976 |
| Total | 1962 | 812 | 5968 | 2279 | 5431 |
| Less: (i) Interest (net of income) | (966) | (839) | (3282) | (2153) | (3541) |
| (ii) Other un-allocable expenditure net off | (502) | (1661) | (1404) | (1688) | (1578) |
| Add:(i) Other un-allocable income/(loss) | - | - | - | - | (1688) |
| Total Profit/(Loss) before tax | 494 | (1688) | 1281 | (1562) | (1376) |
| 3. Capital Employed (Segment Assets - Segment Liabilities) | | | | | |
| a) Express Distribution & Supply Chain | 4129 | 7974 | 4129 | 7974 | 6461 |
| b) Coast to Coast (Shipping) | 16655 | 14377 | 16655 | 14377 | 14616 |
| c) Unallocated | 8527 | 7675 | 8527 | 7675 | 8384 |
| Total | 29312 | 30026 | 29312 | 30026 | 29461 |

- Tax expense for the current quarter comprises of Minimum Alternate Tax, Tonnage Tax and Deferred Tax.
- The name of Gati Skyways Ltd., a wholly owned subsidiary of the Company has been changed to Redsun Supply Chain Solutions Ltd. with effect from 08-03-2010.
- A limited review of the above financial results has been carried out by the Statutory Auditors.
- The previous period / quarter figures have been amended / regrouped wherever necessary to make them comparable.
- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors on 12th April 2010.
- Nine complaints received from investors during the quarter have been resolved. There was no complaint outstanding at the beginning or at the end of the quarter.

Place: Secunderabad
Date: 12th April 2010

For Gati Limited
Mahendra Agarwal
Managing Director & CEO



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