

November 05, 2019

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Tel: 022 - 2272 1233 / 34 Fax: 022 - 2272 2131 / 1072/ 2037 / 2061 / 41	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Tel: 022 - 2659 8235 / 36 / 452 Fax: 022 - 2659 8237 / 38
Scrip Code: 532345	Symbol : GATI
ISIN No.: INE152B01027	ISIN No.: INE152B01027
Re.: Gati Limited	Re.: Gati Limited

Dear Sir/Ma'am,

Sub: Outcome of Board Meeting

Pursuant to the Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board of Directors at their meeting held today i.e. on Tuesday, November 05, 2019 which commenced at 3:00 P.M. and concluded at 11:30 P.M. has inter alia, considered and approved the Un-audited Standalone and Consolidated Financial Results for the quarter/half year ended September 30, 2019 of the Company as recommended by the Audit Committee.

The Statutory Auditors have carried out a 'Report on Limited Review' of the Un-audited Standalone and Consolidated Financial Results for the quarter/half year ended September 30, 2019.

Further, Pursuant to the Regulation 33 of the Listing Regulations, we are enclosing herewith a copy of the Un-audited Standalone and Consolidated Financial Results and Limited Review Report of the Statutory Auditors of the Company.

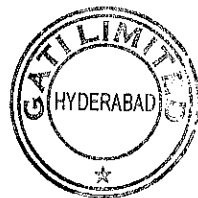
The said results are also being uploaded on the website of the Company (www.gati.com) and published in the newspapers.


Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Gati Limited




T.S. Maharani
Company Secretary & Compliance Officer
M.No.: F8069

Encl.: As above

Corporate & Regd. Office: Gati Limited

Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad - 500 084, Telangana, India. Tel.: (040) 71204284, Fax: (040) 23112318

Singhi & Co.

Chartered Accountants

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Independent Auditor's Review Report on unaudited standalone Quarterly Financial Results of Gati Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors of Gati Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Gati Limited (the 'Company'), for the quarter and half year ended September 30, 2019 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation of 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Regulation'). Attention is drawn to the fact that the figures for net cash flows for the corresponding period from April, 2018 to September 30, 2018 as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors of the company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statements based on our review.
3. We conducted our review of the Statement 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. 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.
4. Attention is drawn to the following :
 - i. As stated in note 5 of the statement, the company has given operational and other advances to few parties aggregating Rs.1949 lakhs which is long overdue and the full recoverability of which is doubtful. No impairment allowance for potential collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the financial result, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.



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11. As stated in note 6 of the statement, during the financial year 2018-2019 the Company has received income tax demand for Rs. 2111 lakhs relating to financial year 2012-13 due to disallowance of capital loss for MAT computation under section 115JB of the Income tax Act, 1961. The Company has filed an appeal before the Hon'ble High Court, Telangana for admission no provision for the said tax demand has been made in the financial result of the company during the quarter ended September 30, 2019. In view of the uncertainty, we were unable to determine the impact on the standalone financial result for the said demand.

Our conclusion is qualified in respect of the above matters.

5. Based on our review conducted and procedure performed as stated in paragraph 3 above, except for the indeterminate effect of the matter as referred in paragraph 4(I) and 4(II) above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial result prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulations 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with the Circular, as amended, including the manner in which it is to be disclosed or that it contains any material misstatement.
6. Further, without qualifying our conclusion, we draw attention to note 7 of the Statement, loans given to a subsidiary amounting to Rs. 2001 lakhs in earlier years and during the year, which is outstanding as at the reporting date. The management is confident of recovery of the amount in due course and no provision is considered necessary for any possible losses that may arise in this behalf.



For Singhi & Co.
Chartered Accountants
Firm's Registration Number: 302049E


(Aditya Singh)
Partner

Membership Number: 305164
UDIN : 19305161AAAACI3800

Place: Kolkata
Date: 5th November, 2019

GATI LIMITED

CIN : L63011TG1995PLC020121

Regd. & Corp Office: Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084.

website: www.gati.com e-mail: investor.services@gati.com Telephone: 040 71204284 Fax: 040 23112318

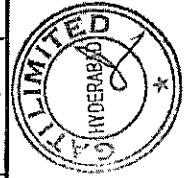
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2019

(₹. In Lakhs)

Particulars	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
	30.09.2019 Unaudited	30.06.2019 Unaudited	30.09.2018 Unaudited	30.09.2019 Unaudited	30.09.2018 Unaudited	31.03.2019 Audited
Income:						
Revenue from operations	10,421	11,830	12,318	22,251	24,525	51,618
Other Income	983	302	1,110	1,285	1,679	2,627
Total Income	11,404	12,132	13,428	23,536	26,204	54,245
Expenditure:						
Purchase of Stock in trade	6,846	6,860	7,202	13,706	13,803	28,355
Changes in inventories of stock in trade	(31)	89	(61)	58	(54)	(61)
Operating Expenses	3,395	3,663	3,851	7,058	7,777	16,876
Employee benefits expense	593	754	620	1,347	1,233	2,723
Finance Cost	297	330	369	627	766	1,509
Depreciation expense	95	97	104	192	207	401
Other expenses	439	508	465	947	858	1,887
Total expenses	11,634	12,301	12,550	23,935	24,590	51,690
Profit/(Loss) Before Exceptional Items and Tax	(230)	(169)	878	(399)	1,614	2,555
Exceptional Items						
Profit / (Loss) Before Tax	(230)	(169)	878	(399)	1,614	2,555
Tax expenses						
Current tax	-	-	(42)	-	58	130
Deferred tax	-	-	-	-	-	0
Profit/(Loss) for the period	(230)	(169)	920	(399)	1,556	2,425
Other Comprehensive Income :						
-	(44)	(24)	(29)	(68)	(110)	(187)
Items that will not be reclassified in profit or loss						
- Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
Other Comprehensive income for the period, net of tax	(44)	(24)	(29)	(68)	(110)	(187)
Total Comprehensive income for the Period	(274)	(193)	891	(467)	1,446	2,238
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	2,172	2,171	2,171	2,172	2,171	2,171
Other Equity						74,554
Earnings Per Share (EPS) (Not annualised)						
- Basic	(0.21)	(0.16)	0.85	(0.37)	1.44	2.24
- Diluted	(0.21)	(0.16)	0.85	(0.37)	1.43	2.23



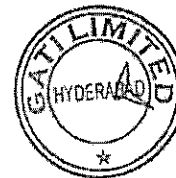
Unaudited Standalone Segment wise Revenue, Results, and Assets and Liabilities for the Quarter and Half year ended 30th September 2019									
Particulars	Quarter Ended			Half year Ended			Year Ended		
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	30.09.2018	31.03.2019		
(Net Sale / Income from each Segment)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
1. Segment Revenue									
a) Express Distribution	3,378	4,659	4,939	8,037	10,316	22,409			
b) Fuel Stations	7,043	7,171	7,379	14,214	14,209	29,209			
Total	10,421	11,830	12,318	22,251	24,525	51,618			
Less: Inter Segment Revenue	-	-	-	-	-	-			
Net Sales / Income from Operations	10,421	11,830	12,318	22,251	24,525	51,618			
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)									
a) Express Distribution	(102)	(16)	1,049	(118)	2,003	3,306			
b) Fuel Stations	169	177	198	346	377	758			
Total	67	161	1,247	228	2,380	4,064			
Less: Finance Cost	(297)	(330)	(369)	(627)	(766)	(1,509)			
Profit before tax	(230)	(169)	878	(399)	1,614	2,555			
3. Segment Assets									
a) Express Distribution	35,783	37,736	37,445	35,783	37,445	37,203			
b) Fuel Stations	2,317	2,144	2,351	2,317	2,351	2,965			
c) Unallocated	61,579	60,611	60,148	61,579	60,148	60,493			
Total Assets	99,679	1,00,491	99,944	99,679	99,944	1,00,661			
Segment Liabilities									
a) Express Distribution	10,740	9,951	8,249	10,740	8,249	9,610			
b) Fuel Stations	72	62	91	72	91	66			
c) Unallocated	13,490	13,946	15,643	13,490	15,643	14,260			
Total Liabilities	24,302	23,959	23,983	24,302	23,983	23,936			



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Unaudited Standalone Statement of Assets & Liabilities

Particulars	As at 30 September 2019	As at 31st March 2019
ASSETS		
Non - Current Assets		
Property, Plant & Equipment	28,122	28,235
Capital Work in Progress	68	51
Right-of-use Asset	108	
Investment in Subsidiaries	57,143	56,785
Financial Assets		
Investments	172	240
Loans	1,732	2,005
Deferred Tax Assets (Net)	-	-
Non Current Tax Asset	1,576	1,373
Other Non-Current Assets	1,263	1,291
	90,184	89,980
Current Assets		
Inventories	216	274
Financial Assets		
Trade Receivables	3,414	4,050
Cash and Cash Equivalents	767	1,323
Bank Balance other than above	2,174	2,005
Loans	10	10
Others	2,589	2,644
Other Current Assets	325	375
	9,495	10,681
Total	99,679	1,00,661
EQUITY AND LIABILITIES		
Shareholders' Funds		
Equity Share Capital	2,172	2,171
Other Equity	73,205	74,554
	75,377	76,725
Non-Current Liabilities		
Financial Liabilities		
Long Term Borrowings	6,105	7,503
Other Non Current Liabilities	-	694
Provision	53	54
	6,158	8,251
Current Liabilities		
Financial Liabilities		
Short Term Borrowings	676	1,046
Trade Payables		
Total Outstanding Dues of micro and small enterprises	-	-
Total Outstanding Dues of creditors other than micro and small enterprises	7,964	6,508
Others	9,089	7,607
Other Current Liabilities	389	508
Provisions	26	16
	18,144	15,685
Total	99,679	1,00,661



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GATI LIMITED

Unaudited Standalone Cash Flow Statement for the Half year ended September 30, 2019

(₹. in Lakhs)

Particulars	Half year ended Sep 30, 2019	Half year ended Sep 30, 2018
A: Cash Flow From Operating Activities		
Net Profit Before Taxes as per Statement of Profit and Loss	(399)	1,614
Adjustments For :		
Depreciation and amortization expense	192	207
Net gain on sale of Property, plant & equipment	(1)	1
Expenses on Employee Stock Option scheme	(69)	(13)
Finance Costs	627	766
Allowance for Doubtful Receivables	63	-
Provision for Bad Debts no longer required written back	-	(66)
Interest Income	(172)	(485)
Liability no longer required written back	(34)	-
Dividend income from a Subsidiary	(756)	(867)
Operating Profit Before changes in operating assets and liabilities	(549)	1,157
Adjustment for changes in operating assets and liabilities:		
Decrease / (Increase) in Inventories	58	(54)
Decrease / (Increase) in Trade receivables	572	(536)
Decrease / (Increase) in Other current Assets	78	142
Decrease / (Increase) in Other Current Financial Assets	55	(78)
Decrease / (Increase) in Loans	-	(4)
Increase / (Decrease) in Trade payable	1,455	786
Increase / (Decrease) in Current Financial Liabilities	484	17
Increase / (Decrease) in Current Liabilities	(779)	64
Increase / (Decrease) in provisions	9	(2)
Cash generated from Operating Activities	1,384	1,492
Direct Taxes paid (net of refunds)	(203)	605
Net Cash generated/(used) from Operating Activities	1,181	2,097
B: Cash Flow From Investing Activities :		
Sale proceeds from Property ,Plant and equipment	2	3
Purchase of Property ,Plant and equipment including Capital work in progre:	(98)	(39)
Purchase / Sale of Investments	9	(26)
Investment in Bank Fixed Deposit	(169)	(402)
Interest Received	78	48
Dividend income from a Subsidiary	756	867
Net Cash generated/(used) in Investing Activities	578	451
C: Cash Flow From Financing Activities		
Repayment of long term borrowings	(1,325)	(1,429)
Proceeds from Public deposits	86	149
Repayment of Public desposits	(137)	(99)
Proceeds from issue of equity shares	65	126
Dividend Paid including tax	-	(999)
Movement in short term borrowings (Net)	(370)	80
Finance Cost	(635)	(765)
Net Cash generated/(used) from Financing Activities	(2,315)	(2,937)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(556)	(389)
Cash and Cash Equivalents as at the beginning of the year	1,323	1,088
Cash and Cash Equivalents as at the end of the period	767	699



Notes:

1. The above Statement of Cash Flow has been prepared under the " Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

2. Components of cash and cash equivalents

Balance with Banks:

In Current Accounts

695

577

Cash on hand

72

122

Cash and Cash Equivalents

767

699



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Notes:

1. The above Results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their Meetings held on November 5, 2019. In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), a limited review of the said results has been carried out by the Statutory Auditors of the Company.
2. The loss for quarter ended September, 2019 is mainly attributable to a drop in cross border E commerce and TV commerce business coinciding with a low seasonality quarter of domestic E-commerce.
3. Other Income for the quarter includes dividend received of Rs. 756 Lakhs from a subsidiary Gati Kintestu Express Private Limited.
4. Pursuant to the Order of the Hon`ble High Court of New Delhi in an appeal preferred by Air India , an amount of ₹ 2,200 lakhs was given on account by Air India in an earlier year. A Property has been given as interim collateral, pending adjudication of Cross Appeals before the Division Bench of the said Hon`ble High Court at New Delhi. An application has been filed for release of above mentioned collateral and is listed on 16.12.2019 for final consideration. Necessary adjustments, if any, will be made in the accounts upon the decision of the Hon`ble High Court of New Delhi.
5. Company has initiated recovery of overdue advances given ₹ 1949 Lakhs to few parties in earlier years. However, for the current half year, the company could not recover the agreed amount for which company has been sent a legal notice. The management is hopeful of recovering the outstanding amount of ₹ 1949 Lakhs over a period of time and in its opinion, provision is not required. This has been qualified by the Auditors in their audit report and now referred in the review report.
6. In previous year, Income Tax Appellate Tribunal (ITAT) has dismissed an appeal filed by the company against order of Principal Commissioner of Income Tax passed u/s. 263 for disallowance of capital loss on sale of investments u/s 115JB of the Income Tax Act, 1961 relating to financial year 2012-13. Against tax demand of ₹ 2,111 Lakhs related to Financial year 2012-13 has been confirmed by Income Tax Appellate Tribunal (ITAT) and the matter is pending before Hon `ble High Court, Telangana for admission. According to legal opinion the demand is not sustainable and hence no provision for the demand is presently considered necessary. This has been qualified by the Auditors in their audit report of financial year ended March 31, 2019, and now referred in the review report.
7. Company had given interest free loan to a wholly owned subsidiary amounting to ₹ 2,001 lakhs towards financing a project in an earlier year, which the operation are yet to commence. The company is now in possession of the title deeds to the landed property of the subsidiary which is adequate security. This has been emphasis of matter by the Auditors in their audit report of financial year ended March 31, 2019, and now referred in the review report.
8. Effective April 01, 2019, the Company has adopted Ind AS-116 "Leases" using modified retrospective approach. The company is lessee for few rental contracts only and hence has no material impact on the financial results of the quarter.



9. During the quarter 70,500 shares were allotted at a premium of Rs 83.42 per share under Employee stock option scheme (ESOS). Consequently number of equity shares has increased from 10,85,42,137. To 10,86,12,637 The company has 1,41,000 options pending for allotment under ESOS as on September 30, 2019.
10. Under the new section of Income tax Act 115BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 the Company has an Option to avail of the reduced tax rate. The Company has significant MAT credit pertaining to previous years. The matter will be reviewed upon availment of MAT credit, to avail the reduced tax rate, as introduced by the Taxation laws (Amendment) Ordinance, 2019.
11. Figures of the previous quarters/periods have been regrouped/ re-arranged wherever considered necessary.

Place: Hyderabad
Date: November 5, 2019



For GATI LIMITED

N. Srinivasan
Director

DIN: 00004195



Singhi & Co.

Chartered Accountants

161, SARAT BOSE ROAD, KOLKATA-700 026, (INDIA)

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Independent Auditor's Review Report on unaudited consolidated quarterly financial results of the Gati Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Gati Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Gati Limited ('the parent') and its Subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income for the quarter and half year ended September 30, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). Attention is drawn to the fact that the figures for net cash flows for the corresponding period from April 01, 2018 to September 30, 2018 as reported in these unaudited consolidated financial results have been approved by the Board of Directors of the parent but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



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4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
Gati Limited	Parent company
Gati Kintetsu Express Private Limited	Subsidiary
Gati Import Export Trading Limited	Subsidiary
ZEN Cargo Movers Private Limited	Subsidiary
Gati Kausar India Limited	Subsidiary
Gati Logistics Parks Private Limited	Subsidiary
Gati Project Private Limited	Subsidiary
Asia Pacific Pte Limited. Including its subsidiaries Gati Hong Kong Limited Gati Cargo Express (Shanghai) Co. Limited	Subsidiary

5. Attention is drawn to the following :

- (i) As stated in note 4 of the statement, the Company and one of the subsidiary, Gati Kintetsu Express (P) Ltd, has given operational advances and other advance to few parties aggregating Rs.2388 lakhs which is long overdue and the full recoverability of which is doubtful. No impairment allowance for potential collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the financial result, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.
- (ii) As stated in note 5 of the statement, during the financial year the Company has received income tax demand for Rs. 2111 lakhs relating to financial year 2012-13 due to disallowance of capital loss for MAT computation u/s 115JB of the Income tax Act, 1961. The Company has filed an appeal before the Hon'ble High Court, Telangana as the issue involves interpretation of law and no provision for the said tax demand has been made in the financial statements of the company during the year. In view of the uncertainty, we were unable to determine the impact on the consolidated financial statements for the said demand.
- (iii) As stated in note 10 of the statement in one of the subsidiary, Gati Kausar India Limited, the said subsidiary has provided for its obligation towards commitment fee based on the management's assessment of the likely obligation in view of the ongoing negotiation with the investor relating to the terms of the amended Bond Subscription Agreement, instead of measuring the obligation at Rs. 837 Lakhs as per the terms of the aforementioned agreement. However, in the absence of sufficient and appropriate audit evidence in support of management's assessment and pending final outcome of the negotiation referred above, we are unable to comment upon the adequacy of the provision and its consequential impact on the Statement. Our review reports for the quarter ended 30 June 2019 and half year ended 30 September 2019 and the audit report for the year ended 31 March 2019 on the respective financial results was also qualified in respect of this matter.



Our Conclusion is qualified in respect of above matters

6. Based on our review conducted and procedures performed stated in paragraph 3 above and based on the consideration of the review reports of the other auditor referred to in paragraph 8 below, except the indeterminate effect of the matter referred in paragraph as stated in paragraph 5(i),5(ii),5(iii) above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. Further, without qualifying our conclusion, we draw your attention to the matter that in note 11, one of the subsidiary, Gati Kausar India Limited has incurred a net loss of Rs.603 Lakhs during the half year ended September 30, 2019, and as of that date, the Company's accumulated losses amounts to Rs. 8431 Lakhs, which has resulted in complete erosion of the net worth of the of the said Subsidiary company and the said Subsidiary Company's current liabilities exceeded its current assets by Rs.3537 lakhs. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, based on the revised business and restructuring plans as stated in the aforesaid note, the management is of the view that going concern basis of accounting is appropriate for preparation of the statement.

Our conclusion is not modified in respect of the above matters.

8. We did not review the financial result of one Indian subsidiary included in the consolidated unaudited financial results, whose results reflect total revenue of Rs 2325 lakhs and Total net loss Rs(-)603 lakhs and total comprehensive income of Rs.(-) 603 Lakhs for the Quarter ended September30, 2019 and for the period from April1, 2019 to September30, 2019 as considered in the consolidated unaudited financial results. These interim financial result have been reviewed by other auditor whose reports have been furnished to us by the management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on the report of other auditors and the procedure performed by us as stated in paragraph 3 above.

Our conclusion on the statement is not modified in respect of the above matters.

9. The Statement include the financial result of five subsidiaries, which have not been reviewed, whose financial result (before eliminating intercompany transactions) reflect total revenue of Rs. 8741 lakhs, net profit after tax of Rs.(-)112 lakhs and total comprehensive income of Rs (-)142 Lakhs for the quarter ended September30, 2019, as considered in the Statement. These financial information have been furnished by the management of the respective subsidiaries. According to the information and explanation given by the management of the Parent, these financial information are not material to the group.



Singhi & Co.
Chartered Accountants

.....contd.

Our conclusion on the Statement is not modified in respect of the above matters.



For Singhi & Co.
Chartered Accountants
Firm's Registration Number: 302049E

Aditya Singh
(Aditya Singh)
Partner

Membership Number: 305162
UDIN: 19305161AAAACK4709

Place: Kolkata
Date: 5th November, 2019

GATI LIMITED

CIN: 1630117G1995PLC020121

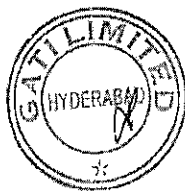
Regd. & Corp Office: Plot No 20, Survey No 12, Kathaguda, Kondapur, Hyderabad 500 084

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STATEMENT OF UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2019

(`. In Lakhs)

Particulars	Quarter Ended			Half Year Ended		31.03.2019 Audited
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	
	Un audited	Un audited	Un audited	Un audited	Un audited	
Income:						
Revenue from Operations	43,970	45,806	46,750	89,770	92,324	1,86,319
Other Income	132	272	117	404	600	1,596
Total Income	44,102	46,078	46,867	90,180	92,924	1,87,915
Expenditure :						
- Purchases of Stock in trade	9,490	9,791	9,771	18,781	18,342	38,451
- Changes in Inventories of Stock in trade	40	266	(231)	306	(88)	(315)
- Operating Expense	24,765	25,303	26,672	50,068	52,512	1,04,479
- Employee Benefit Expense	4,676	4,826	4,708	9,502	9,412	18,636
- Finance Cost	1,512	1,119	1,112	2,631	2,222	4,527
- Depreciation and Amortisation Expense	1,274	787	758	2,061	1,484	2,952
- Other Expenses	3,203	4,002	3,592	7,205	7,724	15,638
Total Expenses	44,960	45,594	46,382	90,554	91,608	1,84,368
Profit/(Loss) Before Exceptional Items and Tax	(858)	484	485	(374)	1,316	3,547
Exceptional Items	-	-	-	-	-	-
Profit/(Loss) Before Tax	(858)	484	485	(374)	1,316	3,547
Tax Expense						
- Current tax	54	418	260	472	599	1,115
- Deferred Tax	143	(137)	(36)	6	(105)	128
Profit/(Loss) for the period	(1,055)	203	261	(852)	822	2,304
Other Comprehensive Income						
A) - Items that will not be reclassified to Profit or loss	(82)	(45)	(31)	(127)	(113)	(311)
- Income Tax relating to Items that will not be reclassified to Profit or loss	6	9	1	15	2	36
B) - Items that will be reclassified to Profit or loss	5	(35)	(31)	(30)	(34)	(40)
- Income Tax relating to Items that will be reclassified to Profit or loss	-	-	-	-	-	-
Other Comprehensive Income for the period, net of tax	(71)	(71)	(61)	(142)	(145)	(315)
Total Comprehensive income for the Period	(1,126)	132	200	(994)	677	2,989
Profit/(Loss) for the Period	(1,055)	203	261	(852)	822	2,304
Attributable to:						
- Owners of equity	(1,110)	72	131	(1,038)	639	1,836
- Non-Controlling Interest	55	131	130	186	183	468
Total Comprehensive income for the Period	(1,126)	132	200	(994)	677	2,989
Total Comprehensive income attributable to:						
- Owners of equity	(1,173)	6	70	(1,167)	494	1,545
- Non-Controlling Interest	47	126	130	173	183	444
Paid up Equity Share Capital						
(Face Value of the Share Rs.2/- each)	2,172	2,171	2,171	2,172	2,171	2,171
Other Equity						70,273
Earnings Per Share (EPS) (Not Annualized)						
a) Basic	(1.02)	0.07	0.12	(0.95)	0.59	1.69
b) Diluted	(1.02)	0.07	0.12	(0.95)	0.59	1.69

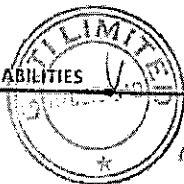


Note-1

Unaudited Consolidated Statement of Assets and Liabilities as at September 30,2019

(₹. in Lakhs)

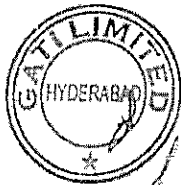
Particulars	Sept 30, 2019	March 31, 2019
	Unaudited	Audited
NON CURRENT ASSETS		
Property, plant and equipment	57,624	56,740
Capital Work in Progress	365	511
Right of use assets	6,789	-
Goodwill	42,580	42,580
Intangible Assets	404	301
Intangible Assets under Development	82	-
Investment In Associates	-	-
Financial Assets	-	-
Investment	175	243
Loans	350	1,165
Deferred tax Assets(Net)	434	425
Non Current Tax Asset (Net)	7,906	7,066
Other Non-current assets	1,386	2,209
	1,18,095	1,11,240
CURRENT ASSETS		
Inventories	886	1,199
Financial assets	-	-
Trade receivables	24,189	23,893
Cash and cash equivalents	2,563	1,737
Bank Balances other than above	3,252	3,035
Other financial assets	5,487	4,520
Other current assets	2,874	3,167
Current Tax Assets	-	14
Assets held for sale	160	160
	39,411	37,725
	1,57,506	1,48,965
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	2,172	2,171
Other Equity		
Equity attributable to owners of the company	68,079	70,273
Non controlling interest	11,988	12,205
Total Equity	82,239	84,649
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial liabilities		
Borrowings	24,528	16,868
Other financial liabilities	-	694
Provisions	899	810
	25,427	18,372
CURRENT LIABILITIES		
Financial liabilities		
Borrowings	13,756	11,373
Trade payables	-	-
(a) Total outstanding dues of Micro and Small Enterprises	-	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	13,678	14,905
Other financial liabilities	17,686	15,941
Other current liabilities	4,452	3,494
Current Tax Liabilities	24	4
Provisions	244	227
	49,840	45,944
TOTAL LIABILITIES	75,267	64,316
TOTAL EQUITY AND LIABILITIES	1,57,506	1,48,965



Unaudited Consolidated Segment wise Revenue, Results, and Assets and Liabilities for the Quarter and Half year ended 30th Sept 2019

(₹. in Lakhs)

Particulars	Quarter Ended			Half year Ended		Year Ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
1. Segment Revenue (Net Sale / Income from each Segment)						
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
a) Express Distribution & Supply Chain	34,080	35,875	36,953	69,955	73,516	1,46,957
b) Fuel Station	7,043	7,171	7,379	14,214	14,209	29,209
c) Other Sales	3,037	2,946	2,636	5,983	4,954	10,951
Total	44,160	45,992	46,968	90,152	92,679	1,87,117
Less: Inter Segment Revenue	(190)	(186)	(218)	(376)	(355)	(798)
Net Sales / Income from Operations	43,970	45,806	46,750	89,776	92,324	1,86,319
2. Segment Results (Profit (+) / Loss (-) before tax and Interest from each Segment)						
a) Express Distribution & Supply Chain	433	1,370	1,428	1,803	3,160	7,268
b) Fuel Station	169	177	198	346	377	758
c) Other Sales	62	56	(29)	108	1	48
Total	654	1,603	1,597	2,257	3,538	8,074
Less: Finance Cost	(1,512)	(1,119)	(1,112)	(2,631)	(2,222)	(4,527)
Less: Exceptional Items	-	-	-	-	-	-
Profit before tax	(858)	484	485	(374)	1,316	3,547
3. Segment Assets						
a) Express Distribution & Supply Chain	1,42,628	1,37,562	1,39,828	1,42,628	1,39,828	1,34,792
b) Fuel Stations	2,317	2,144	2,351	2,317	2,351	2,965
c) Others	3,088	2,969	3,015	3,088	3,015	3,370
c) Unallocated	9,472	8,022	6,536	9,472	6,536	7,838
Total Assets	1,57,505	1,50,697	1,51,730	1,57,505	1,51,730	1,48,965
Segment Liabilities						
a) Express Distribution & Supply Chain	22,325	20,570	24,085	22,325	24,085	22,681
b) Fuel Stations	72	62	91	72	91	66
c) Others	2,026	1,867	2,023	2,026	2,023	2,304
c) Unallocated	50,844	43,688	42,120	50,844	42,120	39,265
Total Liabilities	75,267	66,187	68,319	75,267	68,319	64,316

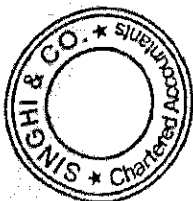


GATI LIMITED

Consolidated Cash Flow Statement for the half year ended September 30, 2019

(₹. in Lakhs)

Particulars	Half Year ended 30-Sep-19	Half Year ended 30-Sep-18
Cash Flow From Operating Activities		
Net Profit Before Taxes as per Statement of Profit and Loss	(374)	1,316
Adjustments For :		
Depreciation and amortisation Expense	2,061	1,484
Net Gain on sale of Property, plant & equipment	(66)	(5)
Expenses on Employee Stock Option scheme	(70)	(13)
Finance Costs	2,631	2,222
Interest Income	(138)	(418)
Net Foreign Exchange Gain	(11)	-
Allowance for Doubtful Receivables	166	(9)
Bad debts and irrevocable balances written off (Net of Provision)	75	-
Provision towards capital expenditure	7	204
Liability no longer required written back	(51)	(13)
Operating Profit Before changes in operating assets and liabilities	4,230	4,768
Adjustment for changes in operating assets and liabilities:		
Decrease / (Increase) in Trade Receivables	(538)	(3,073)
Decrease / (Increase) in Inventories	313	(80)
Decrease / (Increase) in Other current Assets	291	(493)
Decrease / (Increase) in Other Current Financial Assets	(968)	(326)
Increase / (Decrease) in Trade Payables	(1,215)	3,720
Decrease / (Increase) in Loans and Non Current Assets	1,543	(636)
Increase / (Decrease) in Non Current Liabilities	(694)	22
Increase / (Decrease) in Current Financial Liabilities	(717)	(134)
Increase / (Decrease) in Current Liabilities	1,008	258
Increase / (Decrease) in Provisions	107	86
Cash generated from Operating Activities	3,359	4,113
Direct Taxes paid (net of refunds)	(1,293)	(708)
Net Cash generated/(used) from Operating Activities (A)	2,066	3,405
Cash Flow From Investing Activities		
Sale proceeds from Property, Plant and Equipment	131	495
Purchase of Property, Plant and equipment including Capital work in progress	(3,055)	(2,334)
Purchase/ Sale of Investments	(0)	(0)
Interest Received	163	435
Investment in bank Fixed Deposit	(217)	(398)
Net Cash generated/(used) in Investing Activities (B)	(2,978)	(1,802)
Cash Flow From Financing Activities		
Proceeds from issue of equity shares	65	126
Proceeds from Public deposits	86	149
Repayment of Public deposits	(137)	(99)
Proceeds of Long term borrowings	9,056	-
Repayment of Long term borrowings	(6,603)	(202)
Movement in Short term borrowings (Net)	2,383	3,142
Dividend Paid including Tax	(542)	(1,626)
Finance Costs	(2,571)	(2,172)
Net Cash generated/(used) from Financing Activities (C)	1,737	(682)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	825	921
Cash and Cash Equivalents as at the beginning of the year	1,738	1,911
Cash and Cash Equivalents as at the period ended	2,563	2,832



[Handwritten signatures]



Components of cash and cash equivalents

Balance with Banks:

On Current Accounts	279	194
Deposits with original maturity of less than three months	2,257	2,593
Cheques on hand	-	-
Cash on hand	27	44
Cash and Cash Equivalents	<u>2,563</u>	<u>2,831</u>

Notes:

1. The above Statement of Cash Flow has been prepared under the "indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.



Notes:

1. The Unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 5, 2019. In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), a limited review of the said results has been carried out by the Statutory Auditors of the Company.
2. Gati Limited ("Company") and its 9 subsidiaries including 2 overseas step down subsidiaries ("Group") are engaged primarily in the business of running Express Distribution, Supply Chain Services, e-Commerce logistics, Integrated Freight Forwarding, Warehousing and running Fuel stations.
3. Pursuant to the Order of the Hon'ble High Court of New Delhi in an appeal preferred by Air India, an amount of ₹2,200 lakhs was given on account by Air India in an earlier year. A Property has been given as interim collateral, pending adjudication of Cross Appeals before the Division Bench of the said Hon'ble High Court at New Delhi. An application has been filed for release of above mentioned collateral and is listed on 16.12.2019 for final consideration. Necessary adjustments, if any, will be made in the accounts upon the decision of the Hon'ble High Court of New Delhi.
4. Company has initiated recovery of overdue advances given ₹2388 Lakhs to few parties in earlier years. However, for the current half year, company could not recover the agreed amount for which company has been sent a legal notice. The management is hopeful of recovering the outstanding amount of ₹2388 Lakhs over a period of time and in its opinion, provision is not required. This has been qualified by the Auditors in their audit report and now referred in the review report.
5. In previous year, Income Tax Appellate Tribunal (ITAT) has dismissed an appeal filed by the company against order of Principal Commissioner of Income Tax passed u/s. 263 for disallowance of capital loss on sale of investments u/s 115JB of the Income Tax Act, 1961 relating to financial year 2012-13. Against tax demand of ₹2,111 Lakhs related to Financial year 2012-13 has been confirmed by Income Tax Appellate Tribunal (ITAT) and the matter is pending before Hon'ble High Court, Telangana for admission. According to legal opinion the demand is not sustainable and hence no provision for the demand is presently considered necessary. This has been qualified by the Auditors in their audit report of financial year ended March 31, 2019, and now referred in the review report.
6. During the quarter 70,500 shares were allotted at a premium of ₹83.42 per share under Employee stock option scheme (ESOS). Consequently number of equity shares has increased from 10,85,42,137 to 10,86,12,637 The company has 1,41,000 options pending for allotment under ESOS as on September 30, 2019.
7. The remuneration paid to the Executive Chairman of the subsidiary i.e., Gati Kintetsu Express Pvt Ltd (GKEPL) during the year ended March 31, 2019 has exceeded the limit prescribed under section 197 of the Companies Act, 2013, by Rs. 106 lakhs, which has not been approved by the shareholders. Accordingly, the same has been reversed in the books of accounts and the amount is shown as recoverable from the Executive Chairman. This has been reported in Audit report of financial year ended March 31, 2019, as an emphasis of matter. The remuneration paid to Executive Chairman for the current financial year is expected to be within the limit of Section 197 of the Companies Act considering the projected profitability of the GKEPL.
8. Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" using the modified retrospective method. The group has applied the standard to its leases with the cumulative impact recognized on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated. On April 1, 2019 the group has recognized a lease liability measured at the present value of the remaining lease payments and right-of-use (ROU) asset at an amount equal to lease liabilities existing as at March 31, 2019. Also the group has elected not to apply the requirements of Ind AS 116 to short-term leases. In the Statement for the current period, operating lease expenses which were recognized as other expenses in previous periods is now recognized as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability. However, in case of one of its subsidiary i.e. Gati Kintetsu Express Private Limited (GKEPL) the Ind AS adjustment is made during the quarter. The impact of adoption of this standard is as follows on the reported profit for the period :-



Particulars	Comparable Basis	Impact of Ind AS 116	As reported for the half year ended 30 th Sept'19
Finance Costs	1032.13	367.43	1399.56
Depreciation and Amortization Expenses	1019.18	468.04	1487.22
Other Expenses	7231.30	(628.48)	6602.82
Total Expenses	9282.61	206.99	9489.60
Profit Before Tax	1684.21	(206.99)	1477.22

The above impact of ₹ 206.99 lakhs includes ₹ 103.49 lakhs pertaining to the Quarter ended June 30, 2019 which has been adjusted during the quarter ended September 30, 2019.

However, there is no material impact due to adoption of Ind AS 116 in the financial result of the company and in its subsidiaries except in case of Gkepl as on mentioned in the above table.

9. Gati Kintetsu Express Private Limited (GKEPL), a subsidiary of the Company, has opted to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 and has taken 25.168% rate of corporate tax in its accounts. Accordingly, GKEPL has recognized provision for income tax for the quarter/period ended September 30, 2019 and re-measured its deferred tax assets/liabilities on the basis of above option.
10. During the year ended March 31, 2018, management of the Gati Kausar India Limited (GKIL), a subsidiary of the Company, has revised its business strategy to adopt an "asset light" model in place of "asset heavy" model in view of the present business scenario and keeping in view the cost benefit analysis. Accordingly, the Company has not drawdown the committed loan aggregating to ₹6,100 lakhs from the investors. On the basis of a careful analysis of the terms of the amended Bond Subscription Agreement and the prevalent industry practice in this regard, management of the GKIL has considered a provision of ₹30.50 lakhs to be adequate to meet its obligations as at September 30, 2019. Management of the GKIL is confident that no further financial obligations would dwell on the GKIL. This has been qualified by the auditors in their audit report of the financial year ended March 31, 2019, and now referred in the review report.
11. During the period ended September 30, 2019, Gati Kausar India Limited (GKIL), a subsidiary of the Company, has incurred a loss of ₹603 lakhs, and as of that date, the accumulated losses amounting to ₹8,431 lakhs has resulted in complete erosion of its net worth and the current liabilities exceeded its current assets by ₹3,537 lakhs. These events together with the maturity of long-term debts aggregating to ₹881 lakhs and ₹2,597 lakhs (including the redemption premium) originally due for repayment in the month of October 2019 and January 2020 respectively, has cast significant doubt on the GKIL ability to continue as a going concern for a foreseeable future and therefore, the GKIL may be unable to realize its assets and discharge its liabilities in the normal course of business. To address this and improve upon its operating and financial performance, the key shareholders along with the management of the subsidiary is in the process of implementing a resolution plan by focusing on number of measures viz;- (i) operational improvements through revenue enhancement; (ii) balance sheet restructuring to ensure solvency through sustainable cash flows. Further, basis the measure undertaken by the key shareholders, GKIL has obtained interim relief by way of extension of its long-term debts due in the month of October 2019 and January 2020 until March 31, 2020.

Based on the foregoing and management's assessment of GKIL regarding the favourable outcome of the ongoing negotiations in relation to the unpaid commitment fee as detailed in note 10 above, management believes that the GKIL will be able to realize the assets and discharge its liabilities as recorded in the normal course of its operations. Accordingly, the accompanying unaudited financial information of GKIL for the period ended September 30, 2019 have been prepared considering going concern basis of accounting. The auditors of GKIL has stated a paragraph on material uncertainty related to going concern in their review report in respect of this matter.



12. The value of investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts.

13. Figure of the previous quarters / periods have been re-arranged / re-grouped where ever considered necessary.

Place: Hyderabad
Date: November 5, 2019

For GATI LIMITED



N. Srinivasan

Director

DIN: 00004195

