SELECTED
INDIA 2009-10
CONSUMER VALIDATED

GATI
Ahead in reach

**01/02/2011**

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex
Bandra (East)
Mumbai- 400051

Dear Sir,

Pursuant to clause 41 of the Listing Agreement, please find enclosed the unaudited financial results for the quarter ended December 31, 2010, as approved by the Board of Directors of the Company at its meeting held on February 1, 2011.

Kindly take the same on your records and acknowledge.

Thanking you

Yours faithfully,
**for Gati Limited**

**VSN Raju**
**Company Secretary**

**Encl: a/a**

# GATI LIMITED

Regd. & Head Office: 1-7-293, M G Road, Secunderabad 500 003.

website: www.gati.com e-mail: investor.services@gati.com

## UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2010

(Rs. in Lakhs)

| Particulars | Quarter Ended | | Half Year Ended | | Year Ended |
|---|---|---|---|---|---|
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 | Audited 30.06.2010 |
| Income from Operations | 22,354 | 18,003 | 44,854 | 35,000 | 74,472 |
| Other Operating Income | 162 | 218 | 308 | 367 | 650 |
| **Total Income** | **22,516** | **18,221** | **45,162** | **35,367** | **75,122** |
| Expenditure: | | | | | |
| - Operating Expenses | 15,343 | 11,759 | 30,928 | 22,829 | 48,796 |
| - Employees Cost | 2,662 | 2,202 | 5,274 | 4,286 | 8,913 |
| - Administrative Expenses | 2,040 | 1,817 | 4,027 | 3,446 | 7,596 |
| - Repairs & Maintenance | 315 | 270 | 548 | 446 | 1,225 |
| - Depreciation | 528 | 605 | 1,063 | 1,273 | 2,387 |
| **Total** | **20,889** | **16,653** | **41,841** | **32,280** | **68,917** |
| **Profit from Operations before Other Income, Interest and Tax** | **1,628** | **1,568** | **3,322** | **3,087** | **6,205** |
| Other Income | 10 | 7 | 20 | 16 | 19 |
| Interest (Net) | 1,160 | 1,133 | 2,253 | 2,316 | 4,309 |
| **Profit before Tax** | **477** | **442** | **1,088** | **787** | **1,915** |
| Tax Expense | 159 | 58 | 396 | 176 | 404 |
| **Net Profit for the period / year** | **318** | **384** | **692** | **611** | **1,511** |
| Paid up Equity Share Capital (Face Value of the Share Rs.2/- each) | 1,703 | 1,703 | 1,703 | 1,703 | 1,703 |
| Reserves excluding Revaluation reserve | 26,538 | 25,775 | 26,538 | 25,775 | 26,007 |
| Earnings Per Share (EPS) a) Basic | 0.37 | 0.45 | 0.81 | 0.72 | 1.78 |
| b) Diluted | 0.34 | 0.41 | 0.73 | 0.66 | 1.62 |
| Public Shareholding - No. of shares | 43,395,982 | 43,395,982 | 43,395,982 | 43,395,982 | 43,395,982 |
| - Percentage of shareholding | 50.96 | 50.96 | 50.96 | 50.96 | 50.96 |
| Promoter & Promoter Group shareholding | | | | | |
| a) Pledged / Encumbered | | | | | |
| - No. of shares | 34,786,700 | 28,045,000 | 34,786,700 | 28,045,000 | 34,786,700 |
| - Percentage of shares (as a % of the total shareholding of Promoter & Promoter group) | 83.30 | 67.16 | 83.30 | 67.16 | 83.30 |
| - Percentage of shares ( as a % of the total share capital of the company) | 40.85 | 32.93 | 40.85 | 32.93 | 40.85 |
| b) Non-encumbered | | | | | |
| - No. of shares | 6,972,218 | 13,713,918 | 6,972,218 | 13,713,918 | 6,972,218 |
| - Percentage of shares (as a % of the total shareholding of Promoter & Promoter group) | 16.70 | 32.84 | 16.70 | 32.84 | 16.70 |
| - Percentage of shares ( as a % of the total share capital of the company) | 8.19 | 16.10 | 8.19 | 16.10 | 8.19 |

**Notes:**

1. Pursuant to the Company exercising option permissible under Accounting Standard 11 "Effect of changes in Foreign Exchange Rates" effective from July 1, 2007, the profit after tax for the period is less by Rs. 123.49 lakhs and fixed assets lower by Rs.56.39 lakhs.

2. 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 Limited Review Report have stated their inability to express an opinion in the above matter.

3. 33,64,480 options under Employee Stock Options Schemes were outstanding as on December 31, 2010.

4. Tax expense for the current quarter represents Current Tax, Tonnage Tax and Deferred Tax.

5. Statement of Assets and Liabilities as required under Clause 41(I)(ea) of the Listing Agreement:

(Rs. In Lakhs)

| **Particulars** | Half Year Ended | | Year Ended |
|---|---|---|---|
| | Unaudited | | Audited |
| | **31.12.2010** | **31.12.2009** | **30.06.2010** |
| Shareholders' Funds : | | | |
| (a) Capital | 1,703.10 | 1,703.10 | 1,703.10 |
| (b) Share Warrants | 1,763.84 | - | 1,763.84 |
| (b) Reserves and Surplus (including Revaluation Reserve) | 27,227.68 | 26,466.72 | 26,697.85 |
| Loan Funds | 44,924.65 | 46,594.46 | 45,372.22 |
| Deferred Tax Liability | 859.13 | 842.10 | 848.45 |
| **Total** | **76,478.40** | **75,606.38** | **76,385.46** |
| Fixed Assets | 43,346.00 | 45,732.06 | 44,273.77 |
| Investments | 7,484.96 | 6,845.54 | 7,062.61 |
| Foreign Currency Monetary Item Translation Difference Account | (50.69) | 77.16 | 66.56 |

| | | | |
|---|---|---|---|
| CURRENT ASSETS, LOANS AND ADVANCES | | | |
| (a) Inventories | 1,001.48 | 560.51 | 1,024.22 |
| (b) Sundry Debtors | 15,413.05 | 12,326.48 | 13,302.24 |
| (c ) Cash and Bank balances | 2,206.73 | 2,033.97 | 1,275.61 |
| (e) Loans and Advances | 19,743.06 | 16,067.14 | 17,716.96 |
| Less: Current liabilities and provisions | | | |
| (a) Liabilities | (8,928.17) | (5,352.84) | (4,781.18) |
| (b) Provisions | (3,738.02) | (2,683.63) | (3,555.33) |
| **Total** | **76,478.40** | **75,606.38** | **76,385.46** |

6. The previous period figures have been regrouped / rearranged wherever necessary to make them comparable.

7. A limited review of the above financial results has been carried out by the Statutory Auditors.

8. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their Meeting held on February 1, 2011.

9. During the half-year ended December 31, 2010, the Company was allotted 5,41,000 shares of US$ 1 each by Gati Holdings Ltd., Mauritius), wholly owned subsidiary, (Rs. 247.35 lakhs). Further, the Company invested Rs. 175 lakhs in Gati Import Export Trading Limited, wholly owned subsidiary, as share application money.

10. 8 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.

Place : Secunderabad
Date : February 1, 2011

for **GATI LIMITED**

**Mahendra Agarwal**
**Managing Director & CEO**

## SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lakhs)

| Particulars | Quarter Ended | | Half Year Ended | | Year Ended |
|---|---|---|---|---|---|
| | | | | | Audited |
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 | 30.06.2010 |
| **1. Segment Revenue (Net Sale / Income from each Segment)** | | | | | |
| a) Express Distribution & Supply Chain | 20,005 | 16,025 | 39,671 | 30,922 | 65,203 |
| b) Coast to Coast (Shipping) | 2,360 | 1,989 | 5,206 | 4,099 | 9,323 |
| Less: Inter Segment Revenue | 11 | 11 | 23 | 21 | 54 |
| **Net Sales / Income from Operations** | **22,354** | **18,003** | **44,854** | **35,000** | **74,472** |
| **2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)** | | | | | |
| a) Express Distribution & Supply Chain | 2,250 | 2,052 | 4,381 | 4,065 | 7,906 |
| b) Coast to Coast (Shipping) | 68 | 15 | 178 | (60) | 206 |
| **Total** | **2,318** | **2,067** | **4,559** | **4,005** | **8,112** |
| Less: i) Interest (net of Income) | (1,160) | (1,133) | (2,253) | (2,316) | (4,309) |
| ii) Other unallocable expenditure net off | (681) | (492) | (1,218) | (902) | (1,888) |
| **Total Profit before tax** | **477** | **442** | **1,088** | **787** | **1,915** |
| **3. Capital Employed (Segment Assets - Segment Liabilities)** | | | | | |
| a) Express Distribution & Supply Chain | 3,774 | 4,833 | 3,774 | 4,833 | 4,056 |
| b) Coast to Coast (Shipping) | 19,248 | 15,424 | 19,248 | 15,424 | 16,886 |
| d) Unallocated Corporate Assets | 9,441 | 8,626 | 9,441 | 8,626 | 9,044 |
| **Total** | **32,463** | **28,883** | **32,463** | **28,883** | **29,986** |