GATI LIMITED

Registered Office : 1-7-293, M G Road, Secunderabad – 500 003.
Website : www.gati.com; E-mail : investor.services@gati.com

NOTICE

To
The Members,

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 that the resolution appended below is proposed to be passed as an ordinary resolution by way of postal ballot :

The members are requested to consider and, if thought fit, to pass the following as an Ordinary Resolution:

1. **Transfer of the Shipping Business of the Company to its wholly owned subsidiary Gati Ship Pvt. Ltd. on a going concern basis.**

   "RESOLVED THAT pursuant to the provisions of Section 293(1)(a), Section 192A read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authorities and others and subject to such terms and conditions as may be imposed by them, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board" which expression shall also include a committee thereof) to transfer, the Company's undertaking comprising the 'Shipping Business (Coast to Coast Division) or substantial part thereof along with the employees as well as assets and liabilities pertaining thereto including all relevant licences, permits, consents and approvals whatsoever, as a "going concern" to 'Gati Ship Pvt. Ltd.', Secunderabad, a wholly owned subsidiary of the Company, effective from such date, subject to mutual agreement on such terms and conditions as the Board may deem appropriate in the best interest of the Company."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, including finalising the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if need to be changed, and finalising and executing necessary documents including schemes, agreements, deeds of assignment / conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company including the power to delegate, to give effect to this Resolution."

By order of the Board
For Gati Limited

Place : Secunderabad
Date : November 15, 2011

VSN Raju
Company Secretary

GATI LIMITED

Registered Office : 1-7-293, M G Road, Secunderabad – 500 003.
Website : www.gati.com; E-mail : investor.services@gati.com

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

1. Name(s) of Member(s)
   (in block letters)
   (including joint holders, if any)

2. Registered address of the
   Member (s):

3. Registered folio No./DP ID No./Client ID No.*
   (* Applicable to members holding shares
   in dematerialized form)

4. Number of shares held :

5. I / We hereby exercise my/our vote in respect of the ordinary resolution to be passed through postal ballot for business as stated in the Notice of the Company dated 15.11.2011 by conveying my/our assent or dissent to the said resolution by placing the tick (✓) mark in the appropriate box below.

Item No.	Particulars	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
1.	Ordinary resolution under section 192A of the Companies Act, 1956, for "Transfer of the Shipping Business of the Company to its wholly owned subsidiary, Gati Ship Pvt. Ltd. as a going concern basis".			

Place:
Date:

(Signature of the Member)

NOTE: Last date for receipt of postal ballot form by the Scrutinizer : 26th December, 2011

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form in all respects and send it to the scrutinizer in the attached self- addressed envelope. Postage will be paid by the Company. However, envelopes containing postal ballot forms deposited in person or sent by courier or registered post at the expense of the registered members will also be accepted. Voting through any other form or photocopy of the postal ballot form will not be considered valid.

2. The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.

3. This form should be completed and signed by the member. In case of joint holding, this form should be completed and signed by the first named member and in his absence, by the next named member. The signature of the member on this postal ballot form should be as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialized form, respectively.

4. In case shares are held by companies, trusts, societies, etc., the duly completed postal ballot form should be accompanied by certified copy of the Board resolution / authority together with attested specimen signature(s) of the duly authorized signatory(ies). Postal ballot form signed by the holder of power of attorney for and on behalf of a member of the company must be accompanied by the copy of power of attorney duly certified by Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the Seal of his office. If the same is already registered with the Company, please quote the Registration No. beneath the signature.

5. Save as provided in point No. 4 above, members are requested not to send any other paper / document along with the postal ballot form in the enclosed self addressed postage prepaid envelopes as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.

6. A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the postal ballot form.

7. There will be only one postal ballot form for every folio irrespective of the number of joint member(s).

8. Members are entitled to cast their votes in any manner, i.e. all the votes either in favour or against or partly in favour or against.

9. Duly completed postal ballot form should reach the scrutinizer not later than the close of working hours on 26th December, 2011. Postal ballot form(s) received after this date will be strictly treated as if the reply from the member has not been received.

10. Voting rights shall be reckoned on the number of shares registered in the name of the members as on the last date of dispatch of the Notice.

11. Votes will be considered invalid on the following grounds:
    a) if the member's signature does not tally.
    b) if the member has marked all his shares both in favour and also against the ordinary resolution.
    c) If the postal ballot is unsigned.
    d) If the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.

12. The scrutinizer's decision on the validity of the postal ballot will be final.

Notes :

1. Explanatory statement for the proposed special business pursuant to section 173(2) read with section 192A of the Companies Act, 1956 is given hereunder.

2. The Board of directors at its meeting held on November 15, 2011, has appointed Mr. D C Agarwal, Practicing Company Secretary, as scrutinizer for the purpose of postal ballot exercise.

3. The notice is being given to all the members, whose names appear in the Register of Members as on November 18, 2011.

4. You are requested to carefully read the instructions printed in the postal ballot form and return the said postal ballot form (no other form or photocopy of the postal ballot form is permitted) duly completed with the assent (for) or dissent (against), in the attached self-addressed envelope, so as to reach the Scrutinizer on or before December 26, 2011 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. The Scrutinizer will submit his report to the Chairman or the Managing Director after completion of the scrutiny and the results of postal ballot will be announced on or before 28th day of December, 2011, at the registered office of the company at 1-7-293, M.G. Road, Secunderabad. The results of the postal ballot will be published in English and Telugu newspapers and will also be posted on the website of the Company at www.gati.com.

5. A copy of each of the documents referred to in the Notice and the accompanying Explanatory Statement is open for inspection at the registered office of the Company on all working days, between 10.00 A.M and 5.00 P.M. upto December 26, 2011.

6. The date of declaration of the results of the postal ballot will be taken as the date of passing of the resolution proposed in this notice.

EXPLANATORY STATEMENT FOR THE PROPOSED ORDINARY RESOLUTION ACCOMPANYING THE NOTICE DATED NOVEMBER 15, 2011 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A OF THE COMPANIES ACT, 1956.

The Company is in the business of Express Distribution and Shipping with divisions namely, "Express Distribution and Supply Chain Management(EDSC)" and "Coast to Coast(Shipping)". The Company as part of its strategic initiatives, has proposed to transfer its shipping business to a wholly owned subsidiary, Gati Ship Pvt. Ltd. on a going concern basis. In the opinion of the Board, the transfer of the shipping Business into a separate entity would enable the Shipping Business to have dedicated management and raise growth capital, as may be required. The segregation of Shipping Business into a separate legal entity will also enable the company to focus better on its EDSC Business.

The Shipping Business of Gati Limited shall be transfered to Gati Ship Pvt. Ltd on a going concern basis.

The above proposal is subject to the approval of Members and other concerned Authority(ies).

Pursuant to the provisions of Sections 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, any sale, transfer or otherwise disposal of an undertaking requires the approval of the Members by an Ordinary Resolution by way of Postal Ballot. Accordingly, the approval of the Members is being sought through Postal Ballot for passing the Ordinary Resolution as set out in the above Notice.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence commends the Resolution for your approval.

None of the Directors is interested or concerned in the proposed resolution.

By order of the Board
For Gati Limited

Place : Secunderabad
Date : November 15, 2011

VSN Raju
Company Secretary