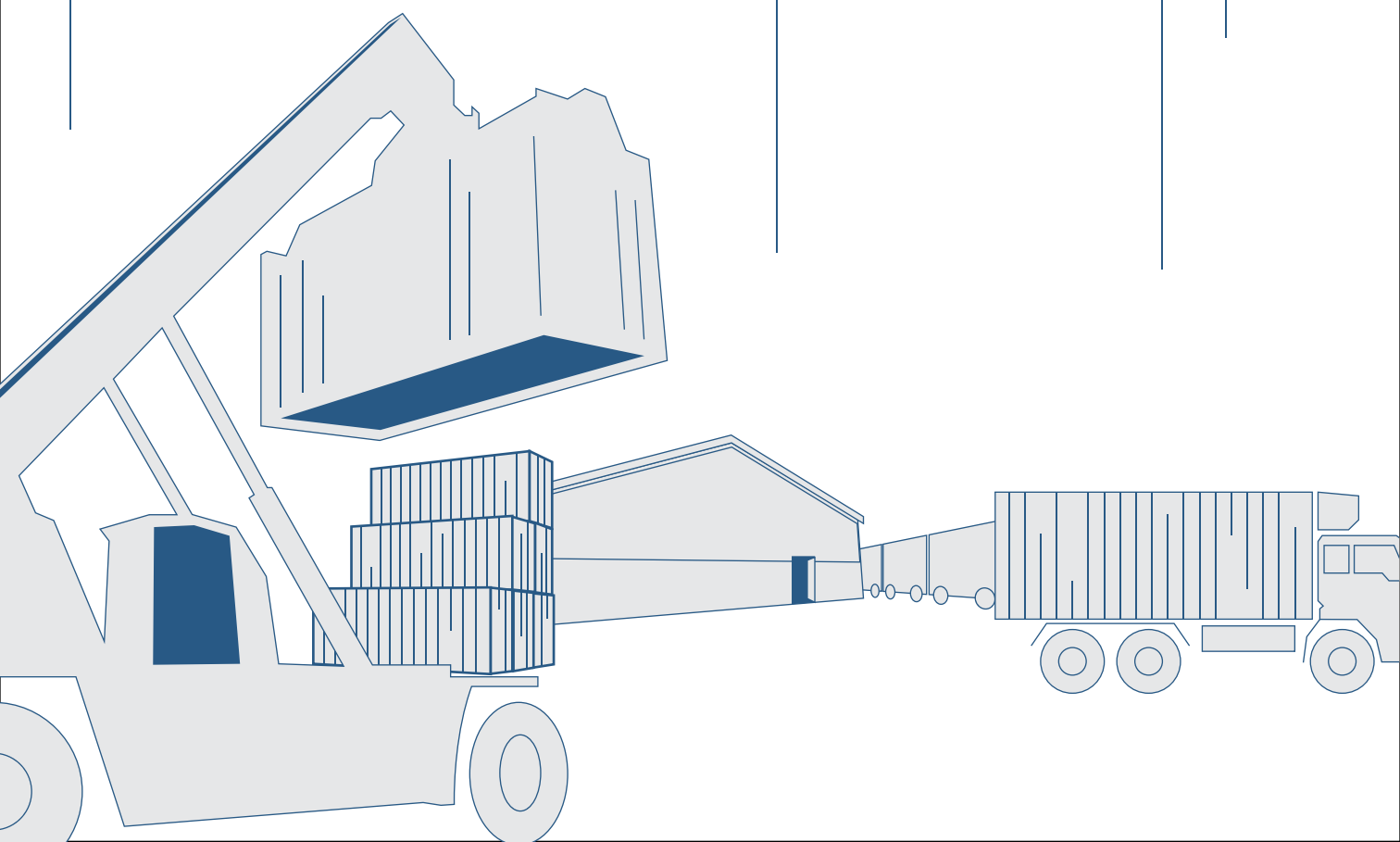




# GATEWAY DISTRI PARKS LTD.

## ANNUAL REPORT 2010-11





## ABOUT THE GROUP

Gateway Distriparks Limited is the only logistics facilitator in the whole of India with three verticals which are synergetic and capable of being interlinked – Container Freight Stations (CFS), Inland Container Depots (ICD) with rail movement of containers to major maritime ports, and Cold Chain Storage and Logistics. GDL operates two Container Freight Stations at Navi Mumbai, one at Chennai and one at Visakhapatnam with total capacity of over 600,000 TEUs. A new CFS at Kochi will be operational by Q4 2011-12. These CFSs offer transportation & storage, general and bonded warehousing, empty handling and several value added services.

GDL's rail operations are handled by a subsidiary, Gateway Rail Freight Limited (GatewayRail) in which The Blackstone Group of USA has made a private equity investment through Blackstone GPV Capital Partners (Mauritius) V-H Ltd. GatewayRail provides inter-modal logistics and operates its own Inland Container Depots/Dry Ports. GatewayRail operates rail linked facilities at Garhi-Harsaru (Gurgaon, Haryana), Ludhiana (Punjab) and Kalamboli (Navi Mumbai). Its upcoming terminal at Asaoti (Faridabad, Haryana) will be operational by Q4 2011-12 as well. GatewayRail owns and operates a fleet of 21 trains and 235+ road-trailers at its rail linked terminals. GatewayRail operates regular container train service from these ICDs/Dry Ports to the maritime ports at NhavaSheva, Mundra and Pipavav, transporting import and export as well as domestic containers. All major shipping lines operate from these GatewayRail terminals for both export and import.

The third vertical consists of cold chain logistics solutions out of 19 locations in India through the subsidiary, Snowman Logistics Limited in which Mitsubishi, Nicherei and IFC (World Bank) are investors. Snowman is a leading Logistics Services Provider and India's first cold supply chain company with a nationwide network connecting more than 100 cities and more than 4,400 outlets. Snowman has a pan-India presence that offers comprehensive warehousing, transportation and distribution services. Its extensive infrastructure includes 19 ISO-22000 certified warehouses and more than 100 owned and leased reefer vehicles and transport assets. With its premium customer service and intricate distribution network, it is the trusted market leader in food supply chain management today.

Going forward, Gateway Distriparks plans to utilise its land banks to further extend capacities, expand its presence in new locations with the backing of a strong management team, and look at new avenues and verticals to become an all-encompassing service provider in the logistics industry in India.

## CHAIRMAN'S STATEMENT

### Performance in FY 2011

FY 2011 was a good year for the GDL group of companies. All three verticals of the Group namely the container freight station (CFS) business, rail transportation and cold chain logistics saw significant growth. At the group level, the year saw:

- 16% increase in Consolidated Income to Rs. 6.12 billion, up from Rs.5.29 billion in FY 2010.
- 12% increase in Throughput of containers to 464,759 TEUs, up from 416,407 TEUs in FY 2010.
- 22% increase in Consolidated Group Profit after tax to Rs. 967.5 million, up from Rs.791.4 million in FY 2010.

#### a) CFS:

The CFS business, which is the mainstay of GDL's operations, accounting for 40% of its turnover and 94% of its net profit, saw a significant growth during FY2011. Turnover increased from Rs. 2.02 billion in 2010 to Rs. 2.42 billion in FY 2011 and net profit increased from Rs. 873 million to Rs. 973 million in the same period. The increase in turnover resulting from the handling of 10% more containers has taken place in spite of the fact that Punjab Conware CFS is still not fully functional. A new CFS is now under construction at Vallarpadam-Kochi which is through a joint venture in which GDL holds 60%. Plans are also being drawn up for the expansion of existing locations.

#### b) Rail Transportation:

GDL's subsidiary, Gateway Rail Freight Limited (GRFL) operates container trains and Rail linked terminals with Customs facilities (Dry ports) at Gurgaon and Ludhiana. GRFL is now developing a terminal at Faridabad to cater to the needs of trade at NCR. GRFL presently operates 21 container trains and 235 road trailers covering EXIM & domestic routes across the country. GRFL also operates dedicated refrigerated container train services between NCR and Navi Mumbai. In August 2010, Blackstone group invested Rs. 3 billion in GRFL to fund the expansion of GRFL.

GRFL increased its throughput by 16.8% to 131,337 TEUs, up from 112,444 TEUs in FY 2010 and reduced its loss to Rs.39.9 million from Rs.134.7 million in FY 2010. More importantly, GRFL reached break-even at the net profit level in the 3rd quarter of FY 2011 and contributed significantly to the net profit of the group in the 4th quarter. GRFL was awarded the Private Container Rail Operator of the year at the Maritime and Logistics Award function in September 2010.

#### c) Cold Chain Logistics:

Snowman Logistics Limited (SLL) is the only organized pan India cold chain logistics player in this growing business. SLL is expanding its cold stores network at key locations and the refrigerated transport fleet across the country. In March 2010, International Finance Corporation (IFC) invested Rs. 248.90 million in the company to fund the expansion of SLL and joining Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group Inc. as strategic investors in the company. The Company's income increased by 29% to Rs.475.9 million, up from Rs.369 million in FY 2010 and its Profit after tax increased by 55.8% to Rs.64.5 million, up from Rs.41.4 million in FY 2010.

### Future

During the year, India's export grew by 37.5% to almost USD 245 billion, largely powered by growth in engineering goods sector. The Government has proposed to set an ambitious exports target of USD 450 billion by 2014. During the year, EXIM Container traffic in Indian ports recorded growth of 12.6%. The country's premier container port JNP recorded throughput of 4.27 million TEUs during the year. The prospects for EXIM trade from India continue to be very bright.

Container traffic on Indian Railways network continues to show high growth due to increase in containerization of bulk movement of cargo offering potential for savings in cost and time. Government initiatives to set up dedicated freight corridors will also boost rail traffic. We will augment our container train fleet, expand operations at our Inland Container Depots (ICD) near Gurgaon, & Ludhiana and commence operations at new ICD near Faridabad, to become a dominant player in the container rail business.

Due to increase in consumption of perishable products and due to the supply chain requirements of organized retail chains, demand for cold chain logistics services (Cold stores and refrigerated transport) has shown robust growth. Our cold chain logistics business provides services to large FMCG companies and organized retail chains. We are increasing capacity of cold stores at key locations and increasing the reach of our refrigerated transport services to cater to the increased demand.

India continues to face challenges due to inadequate infrastructure and smaller scale of operations, compared to many other countries. Despite these challenges, the Indian economy is expected to show robust growth, reflecting the inherent strengths of Indian economy.

We look to the future with great optimism. We expect favorable results from the various initiatives we have taken to expand and add new lines to our businesses.

We have laid the foundation for an integrated network of CFSs, ICDs, cold stores, container trains, trailer fleet using strategic alliances & joint ventures, combined with a strong sense of customer orientation and reliable services. We will leverage GDL's pan-India integrated logistics infrastructure for strong growth in future.

### Dividend

The Company has paid interim dividends totaling Rs.5 per equity share of face value Rs.10 per share (including a special dividend of Re. 1 per equity share) for FY 2011. The Board has recommended final dividend of Re. 1 per equity share, taking the total dividend for FY 2011 to Rs. 6 per equity share of face value Rs.10 per share, which is up from dividend of Rs. 3.50 per equity share in FY 2010.

### Acknowledgement

GDL continues to take initiatives to be a model corporate citizen setting standards of innovation, efficiency and reliability in all its businesses.

I thank my fellow Directors, our partners in various businesses, customers who patronize our facilities, employees and shareholders for their valued contributions.

**Gopinath Pillai**  
Chairman, Gateway Distriparks Ltd.





## CONTENTS SUMMARY

Contents	Page No.
Directors, Bankers & Auditors	7-10
Directors' Report (including Management Discussion & Analysis)	11-21
Corporate Governance Report	22-31
Auditors' Report	32 -36
Balance Sheet	37
Profit & Loss Account	38
Cashflow Statement	39-40
Schedules	41-48
Notes to Accounts	49-68
<b>Consolidated Financial Statements</b>	
Auditors' Report	69
Balance Sheet	70-71
Profit & Loss Account	72
Cashflow Statement	73-74
Schedules	75-85
Notes to Accounts	86-105
Statement under Section 212 of the Companies Act, 1956 related to Subsidiary Companies	106
Results at a Glance	107

## BOARD OF DIRECTORS

1. Mr. Gopinath Pillai - Chairman
2. Mr. Prem Kishan Gupta - Deputy Chairman & Managing Director
3. Mr. Shabbir Hassanbhai
4. Mr. Sat Pal Khattar
5. Mr. Kirpa Ram Vij
6. Mr. K.J.M. Shetty
7. Mr. M.P. Pinto
8. Mr. Saroosh Dinshaw
9. Mr. Arun Agarwal

## COMMITTEES OF THE BOARD OF DIRECTORS

### a. Audit and Investors Relations Committee

1. Mr. K.J.M. Shetty - *Chairman of the Committee*
2. Mr. M.P. Pinto
3. Mr. Saroosh Dinshaw
4. Mr. Gopinath Pillai
5. Mr. Shabbir Hassanbhai

### b. Remuneration and Esop Committee

1. Mr. M.P. Pinto - *Chairman of the Committee*
2. Mr. Sat Pal Khattar
3. Mr. Kirpa Ram Vij
4. Mr. Saroosh Dinshaw





## BOARD OF DIRECTORS OF SUBSIDIARY COMPANIES

### Gateway Rail Freight Limited:

1. Mr. Prem Kishan Gupta – Chairman & Managing Director
2. Mr. Gopinath Pillai
3. Mr. Sat Pal Khattar
4. Mr. Shabbir Hassanbhai
5. Mr. Arun Agarwal
6. Mr. Mathew Cyriac
7. Mr. Richard B. Saldanha
8. Mr. Gurdeep Singh

### Snowman Logistics Ltd:

1. Mr. Gopinath Pillai – Chairman
2. Mr. Keiichi Nakagaki – Vice Chairman
3. Mr. Prem Kishan Gupta
4. Mr. Shabbir Hassanbhai
5. Mr. Saroosh Dinshaw
6. Mr. Ravi Kannan

### Gateway Distriparks (Kerala) Limited :

1. Mr M.P. Pinto – Chairman
2. Mr Gopinath Pillai
3. Mr Prem Kishan Gupta
4. Mr P. Narayan
5. Mr Raghu Jairam

Gateway East India Private Limited and Gateway Distriparks (South) Private Limited are wholly owned subsidiaries.

**REGISTERED OFFICE**

Sector 6, Dronagiri, Taluka Uran, District Raigad, Navi Mumbai – 400 707

**CONTAINER FREIGHT STATION (CFS)**

- a. Sector 6, Dronagiri, Taluka Uran, District Raigad, Navi Mumbai - 400 707
- b. Punjab State Container & Warehousing Corp. Ltd. Plot No. 2,  
Sector-2, Dronagiri Node, Uran, Navi Mumbai – 400 707

**SUBSIDIARIES**

- Gateway East India Private Limited, Visakhapatnam – 530 012
- Gateway Distriparks (South) Private Limited, New Manali, Chennai – 600 103
- Gateway Rail Freight Limited, New Delhi – 110 017
- Gateway Distriparks (Kerala) Ltd., Kochi – 682 003
- Snowman Logistics Ltd., Bangalore – 560 043

**BANKERS**

- 1. HDFC Bank Limited
- 2. ICICI Bank Limited
- 3. DBS Bank Limited

**INTERNAL AUDITORS**

Sahni Natarajan & Bahl, Chartered Accountants, Mumbai

**AUDITORS**

Price Waterhouse, Chartered Accountants, Mumbai

**REGISTRAR AND TRANSFER AGENTS**

Link Intime India Private Limited

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their report for the year ended 31st March 2011.

**A. Financial Results**

Sl. No	Particulars	2010 - 11 (Rs. Million)	2009 - 10 (Rs. Million)
1	Income from Operations and Other Income	1,915.03	1,669.70
2	Profit before Interest, Depreciation and taxes	1,013.68	881.68
3	Interest	14.37	13.43
4	Depreciation	142.19	149.82
5	Profit before Exceptional items & taxation	857.12	718.43
6	Provision for taxes	8.78	(53.66)
7	Profit after tax	848.34	772.09
8	Profit brought forward from previous year	1,813.67	1,560.34
9	Dividend	648.11	377.41
10	Tax on Dividend	107.64	64.14
11	Transfer to General Reserve	84.84	77.21
12	Profit carried to Balance Sheet	1,821.42	1,813.67



**B. Dividend**

The Company has paid three Interim dividends (including Special Interim Dividend) totalling Rs. 5 per equity share amounting to Rs. 540.11 million for the financial year 2010-11. Your Directors recommend Final Dividend of Rs.1 per equity share, amounting to Rs. 108 million for the financial year 2010-11. The Dividend Distribution Tax borne by the Company on the Interim and Final Dividends amounts to Rs. 107.64 million.

**C. Management Discussion & Analysis:****a) Industry structure and developments**

In the past decade, containerised movement of export import cargo grew by 14% per annum. Containerised cargo represents 30% of India's Export Import Trade, compared to the global average of over 70%. JNPT accounted for more than 50% of the total containerised traffic handled out of India, by handling around 4.3 million Teus. The country's second biggest container port at Chennai handled around 1.5 million TEUs.

**b) Opportunities and threats**

Growth of containerisation in both Export Import and domestic trade, private sector participation in ports and movement of containers by rail, liberalisation of Government policies and increase in the country's foreign trade present the company with opportunities for expansion and increase in profitability. During the past few years, the Company has taken several initiatives for growth and expansion. The company has taken over Punjab State Container and Warehousing Corporation Limited's CFS at JNPT under an Operations and management agreement for a period of 15 years from February 2007. The CFS has been revitalised and renovated, adding to the Company's capacity at JNPT, which is India's premier container port. The Company continues to prune costs and augment its equipment for handling and transporting containers, which are operated by contractors. The Company is in the process of setting up a CFS at the fast growing port of Kochi in a joint venture with Chakiat Agencies Private Ltd. The Company's rail subsidiary, Gateway Rail Freight Limited (GRFL) has expanded its business relating to operating container trains on the Indian railways network. GRFL has put in place a fleet of railway rakes / trailers and ICDs to provide end-to-end solution to customers across the country. The Company's cold chain logistics subsidiary Snowman Logistics Ltd. continues to be a premier player in this emerging business.

Competition from existing and new entrants and managing the geographical / capacity expansion present the company with new challenges.

**c) Segment-wise / Product-wise performance**

The Company's entire business is from CFS. There are no other primary / secondary segments in the Company's business.

**d) Outlook**

Strong economic performance and growth in EXIM trade are expected to result in an increase in traffic at major Indian ports during 2011-12. The growth in port volumes & resultant increased throughput at our CFSs, increase in the business of rail movement of containers and growth in the emerging cold chain logistics business are expected to have a positive impact on the Company's business and profitability.

**e) Risks and concerns**

Increase in fuel costs could result in increase in Company's major costs of transport and handling. Increase in container traffic vis-à-vis creation of capacity at the ports could lead to congestion at ports which would result in decline / delay in the throughput handled by the Company. The revenues of the Company are concentrated on the container volumes handled by major shipping lines and consolidators, who use its CFSs at various locations.

**f) Internal control systems and adequacy**

The Company makes use of IT enabled solutions in its operations, accounting and for communication within its facilities and with customers and vendors. Financial and Operating guidelines are put in place to regulate the internal management. The Company's accounts and operations are subject to internal audit and review by the Audit Committee of the Board of Directors.

**g) Financial / Operational performance****Operations:**

Total income from operations & other income during 2010-11 was Rs. 1,915.03 million (2009-10: Rs. 1,669.70 million). The Profit after tax for 2010-11 was Rs. 848.34 million (2009-10: Rs. 772.09 million).

**Finance:**

During the year, the Company repaid term loans availed from HDFC Bank Limited. The Company has outstanding loan for financing transport vehicles Rs. 92.71 million with HDFC Bank Limited as on March 31, 2011. The Company has been sanctioned cash credit / overdraft facilities of Rs.150 million and non-funded facilities to the tune of Rs. 650 million by HDFC Bank Limited. The Company has given guarantees in respect of outstanding loans of Rs.1,061.08 million of subsidiary company Gateway Rail Freight Ltd. as on 31st March, 2011.

The income from interest on fixed deposits with banks and investments was Rs. 29.63 million in the current year (2009-10: Rs. 10.54 million).

**h) Human Resources**

The Company continued to have cordial and harmonious relations with its employees. Human relations policies were reviewed and upgraded in line with the Company's plans for geographical expansion. Initiatives on training and development of human resources were undertaken. The Company has a staff strength of 153 employees as on March 31, 2011 ( March 31, 2010 : 153 employees).

**i) Cautionary statement**

Statements made in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might vary materially from those either expressed or implied.

**D. Subsidiaries:****Gateway East India Private Limited (GEIPL)**

The Company has 100% equity shareholding in GEIPL, which is engaged in the business of running a CFS at Visakhapatnam. GEIPL's Income grew by 35% from Rs. 94.76 million to Rs 128.26 million in 2010-11. Profit after tax for the financial year 2010-11 was Rs.11.03 million as against profit of Rs. 20.86 million for 2009-10, due to higher taxes.

**Gateway Distriparks (South) Private Limited (GDSPL)**

The Company has 100% equity shareholding in GDSPL, which is engaged in the business of running a CFS at Chennai. Income grew by 47% from Rs. 272.94 million to Rs. 401.79 million in 2010 -11. Profit after tax for the financial year 2010-11 was Rs. 113.46 million as against Rs.104.60 million for 2009-10.

**Gateway Rail Freight Limited (GRFL)**

The Company has 97.27% equity shareholding in GRFL, which is engaged in the business of operating container trains and rail linked ICDs in Northern India. Income increased to Rs. 3,226.19 million in 2010-11 from Rs. 2,906.40 million in 2009-10. Loss for the financial year 2010-11 was Rs. 39.91 million as against Rs. 134.73 million in 2009-10. The loss is after providing for depreciation / amortisation Rs.300.25 million (2009-10: Rs. 254.67 million) on rakes, trailers and railway registration fees and interest on loans Rs. 174.95 million (2009-10: Rs. 181.10 million). During the year, Blackstone GPV Capital Partners (Mauritius) V-H Limited invested Rs. 3 billion by subscription to Compulsorily Convertible Preference shares which, on conversion, will entitle Blackstone to acquire between 37.27% and 49.90% of the equity share capital of GRFL. GRFL has 51% equity shareholding in Container Gateway Limited, which is yet to commence operations.

**Gateway Distriparks (Kerala) Limited (GDKL)**

The Company has 60% equity shareholding in GDKL, which is in the process of setting up a CFS at Kochi. Chakiat Agencies Pvt. Ltd. holds 40% shareholding in this Joint Venture Company. Cochin Port Trust has allotted 2.58 hectares of land at Vallarpadam on lease for 30 years. The Company is in the process of constructing a new CFS at Vallarpadam, where the country's first International Container Transshipment Terminal has been set up. Loss for the financial year 2010-11 was Rs. 0.23 million as against Rs.1.09 million in 2009-10.

**Snowman Logistics Limited (SLL)**

The Company has 52.19% equity shareholding in SLL (formerly known as Snowman Frozen Foods Limited), which operates cold stores and fleet of refrigerated trucks at the various major cities across the country. SLL has a pan India presence and provides total cold chain logistics solutions to its customers for products like seafood, dairy products, ice cream, fruits & vegetables, retail and food services. In March 2010, International Finance Corporation has invested Rs. 248.90 million in the equity capital of the Company. Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group Inc. are other shareholders in SLL.

SLL's income grew by 29% from Rs. 369.02 million in 2009-10 to Rs 475.90 million in 2010-11. Profit after tax for 2010-11 was Rs. 64.45 million as against Rs. 41.36 million for 2009-10. The Company is in the process of expanding its cold store capacities and refrigerated transport network.

**E. Employees Stock Option scheme (ESOP)**

Sr. No.	Particulars	ESOP - I (2005 - 2006)	ESOP - II (2006 - 2007)	ESOP - III (2007 - 2008)	ESOP - IV (2009 - 2010)
a.	Options granted (excluding cancelled options)	Options for 264,798 Equity shares	Options for 377,562 Equity shares	Options for 306,875 Equity shares	Options for 345,000 Equity shares
b.	Pricing formula	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee Rs. 130.92 per Equity Share (after adjustment for issue of bonus shares)	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee Rs. 109.25 per Equity Share (after adjustment for issue of bonus shares)	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee Rs. 92.92 per Equity Share	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee Rs. 99.92 per Equity Share
c.	Options vested (net of lapsed options)	73,273	249,212	267,064	134,800
d.	Options exercised	33,800	161,992	235,477	7,900
e.	Total number of shares arising from exercise of options	33,800	161,992	235,477	7,900
f.	Options lapsed	191,525	128,350	39,811	8,000
g.	Variation of terms of options	-	-	-	-
h.	Amount realised by exercise of options	Rs. 5.04 million	Rs.17.70 million	Rs. 21.88 million	Rs.0.79 million
i.	Total number of options in force as on 31 - 3 - 2011	Options for 39,473 Equity Shares	Options for 87,220 Equity Shares	Options for 31,587 Equity Shares	Options for 329,100 Equity Shares



j.	Employee-wise details of options granted (excluding cancelled options)				
	i. Senior managerial personnel				
	a) Mr. R. Kumar, Deputy Chief Executive Officer and Chief Finance Officer cum Company Secretary	Options for 40,000 Equity Shares	Options for 40,000 Equity Shares	Options for 50,000 Equity Shares	Options for 50,000 Equity Shares
	b) Mr. Jacob Thomas, Vice - President (Operations)	Options for 16,000 Equity Shares	Options for 16,000 Equity Shares	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares
	c) Mr. A.K. Bhattacharjee, Vice - President (Operations)	-	-	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares
	ii. Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year (excluding cancelled options)				
	a) Mr. Kartik Aiyer, General Manager (Finance & Accounts)	Options for 16,000 Equity Shares	Options for 16,000 Equity Shares	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares

b) Mr. Subhash Maini, Deputy General Manager (Operations)	-	-	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares
c) Mr. Himangsu Roy, Senior Manager (Operations)	-	-	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares
iii. Identified employees who were granted options during any 1 year equal to or exceeding 1% of issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-	-	-

k.	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings per share'		Rs. 7.85 per Equity Share
l.	Difference between employee compensation cost based on intrinsic value & fair value  Impact on PAT Rs. million  Impact on EPS (Rs./Share)		Employee Compensation costs would increase by Rs. 3.33 million  Decrease in PAT by Rs. 2.67 million  Basic / Diluted EPS would reduce to Rs. 7.83 per share from Rs. 7.86 & Rs. 7.85 per Equity Share respectively

m. (i)	Weighted Average Exercise Price of options		Rs. 102.86 per option for Equity Share
m. (ii)	Weighted Average Fair Value of options		Rs. 26.67 per option for Equity Share

n.	Assumptions used to estimate fair value using Black Scholes option pricing model		
	(i) Risk free interest rate	7.64%	
	(ii) Expected life	Upto 32 months	
	(iii) Expected volatility	21.95%	
	(iv) Expected dividend	Rs. 4.97 per Equity share	
	(v) Market Price of share at the time of grant of option		
		ESOP - I (2005 - 2006)	ESOP - II (2006 - 2007)
		ESOP - III (2007 - 2008)	ESOP - IV (2009 - 2010)
		Rs. 204.55	Rs. 170.70
		Rs. 116.15	Rs. 124.90

## F. Directors

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. K.J.M. Shetty, Mr. Kirpa Ram Vij and Mr. Arun Agarwal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

## G. Responsibility Statement

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- in the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- such accounting policies as mentioned in Note 1 of Schedule "Q" of the Annual Accounts have been applied consistently and judgements and estimates that are reasonable and prudent made, so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March 2011 and of the profit of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts for the year ended 31st March 2011 have been prepared on an on-going concern basis.

## H. Corporate Governance

As a listed Company, necessary measures are taken to comply with the listing agreements with the Stock Exchanges. A report on corporate governance and certificate of compliance from the Auditors is given as Annexure A of this Report.

## I. Listing of Equity Shares

The Company's Equity shares are listed on the Bombay Stock Exchange Limited, Mumbai situated at Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001 and the National Stock Exchange of India Ltd. situated at Exchange Plaza, Bandra Kurla Complex, Mumbai - 400 051. The Company has made up-to-date payment of the listing fees.

## J. Auditors

M/s. Price Waterhouse, Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible have offered themselves for reappointment. The Company has received letter from M/s. Price Waterhouse, Chartered Accountants, confirming that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Their comments on the accounts and notes to the accounts are self-explanatory.

**K. Statutory Information**

Disclosure under Section 217 (1) (e)

**Conservation of Energy**

The Company continues to give the highest priority for conservation of energy by using a mix of technology changes, process optimisation methods and other conventional methods, on an on-going basis.

**Technology Absorption**

The Company continues to lay emphasis on development and innovation of in-house technological and technical skills to meet the specific customer requirements. Efforts are also being made to upgrade the existing standards and to keep pace with the advances in technological innovations.

**Foreign Exchange Earnings and Outgo**

i) Expenditure in foreign currency: Rs. 71.00 million (2009-10: Rs. 10.46 million)  
(including Capital items)

ii) Earnings in foreign currency : Nil

**Demat Suspense Account**

	No. of share holders	No. of Shares
No. in Suspense Account at beginning of the year	12	1,237
No. of shareholders who approached for transfer from Suspense Account during the year	-	-
No. of shares transferred from Suspense Account during the year	-	-
No. in Suspense Account at end of the year	12	1,237
Voting rights on above shares are frozen till claimed by rightful owner		

**Disclosure under Section 217 (2A)**

Information in accordance with the provisions of Section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of employees) Rules, 1975, as amended regarding employees forms part of this Report.

However, as per the provisions of Section 219 of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company, excluding the aforesaid information. Any shareholder, interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Pursuant to Section 212 of the Companies Act, 1956, the annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies are kept for inspection by any shareholders in the registered offices of the company and its subsidiary companies. A copy of the accounts of subsidiaries shall be made available to shareholders on request,

For and on behalf of the Board of Directors

Place: New Delhi  
Date: June 14, 2011

**Gopinath Pillai**  
Chairman



**ANNUAL REPORT 2010-2011****Report on Corporate Governance****1. Company's Philosophy of Corporate Governance**

The Company is committed to adopt best Corporate Governance practices and endeavour continuously to implement the code of Corporate Governance in its true spirit. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders value without compromising in any way in compliance with laws and regulations. The Company has made Corporate Governance a practice and a process of development right across the Company.

**2. Board of Directors****i) Composition**

As on March 31, 2011, the Board of Directors comprises of nine Directors. Apart from the Managing Director, all the other eight Directors are Non-Executive Directors. Of the nine Directors, four Directors represent the Promoters group viz. Windmill International Pte Limited, Parameswara Holdings Limited and Prism International Private Limited, the other five Directors are Independent Directors.

**ii) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM):**

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Mr. Gopinath Pillai	Chairman – NED	7	YES
Mr. Prem Kishan Gupta	Deputy Chairman and MD	6	YES
Mr. Arun Agarwal	NED	6	YES
Mr. Karan Singh Thakral (up to November 14, 2010)	NED	4	YES
Mr. Sat Pal Khattar	NED	6	YES
Mr. K. J. M. Shetty	NED (I)	5	YES
Mr. M. P. Pinto	NED (I)	5	YES
Mr. Shabbir Hassanbhai	NED (I)	4	YES
Mr. Kirpa Ram Vij	NED (I)	5	YES
Mr. Saroosh Dinshaw	NED (I)	6	YES

NED (I) - Non-Executive Director - Independent

NED - Non-Executive Director

MD - Managing Director

**iii) Number of other Boards of Directors or Board Committees where Directors of the Company are - a Director/ Member/ Chairman:**

Name of Director	No. of Directorships in other Boards *	No. of Memberships in other Board Committees	No. of Chairmanships in other Board Committees
Mr. Gopinath Pillai	3	1	-
Mr. Prem Kishan Gupta	3	1	1
Mr. Arun Agarwal	1	-	-
Mr. Shabbir Hassanbhai	2	1	1
Mr. Sat Pal Khattar	6	-	-
Mr. K. J. M. Shetty	2	1	1
Mr. M. P. Pinto	7	2	-
Mr. Saroosh Dinshaw	2	1	-
Mr. Kirpa Ram Vij	-	-	-

\* Directorships in Foreign Companies and Private Limited Companies are not included in the above table.

**iv) Details of Board Meetings held for the year April 1, 2010 to March 31, 2011:**

Sr. No.	Date
1	April 30, 2010
2	June 30, 2010
3	July 26, 2010
4	September 4, 2010
5	September 20, 2010
6	November 14, 2010
7	January 27, 2011

### 3. Audit Committee

#### i) Composition, number of Meetings and Attendance

The Audit Committee comprises of five Directors, of which four are Independent Directors. Mr. K. J. M. Shetty (Independent Director) is the Chairman of the Audit Committee. Mr. Gopinath Pillai, Mr. M. P. Pinto (Independent Director), Mr. Shabbir Hassanbhai (Independent Director) and Mr. Saroosh Dinshaw (Independent director) are the other four Members of the Committee.

During the year, five Audit Committee Meetings were held on April 30, 2010, June 30, 2010, July 26, 2010, November 14, 2010 and January 27, 2011. Attendance of each Audit Committee Member at the Audit Committee Meetings was as under:

Sr. No.	Name of Directors who are/ were members of the Audit Committee during 2010 - 2011	No. of Meetings attended
1	Mr. K. J. M. Shetty	4
2	Mr. Gopinath Pillai	5
3	Mr. M. P. Pinto	4
4	Mr. Saroosh Dinshaw	5
5	Shabbir Hassanbhai	2

All members of the Audit Committee are Non-Executive Directors. The Managing Director, Internal Auditors and Statutory Auditors are invitees to the meeting. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

#### ii) Terms of Reference

The terms of reference of this Committee cover matters specified under the Listing Agreement and the Companies Act, 1956, of India ("the Act").

### 4. Remuneration Committee

Constitution of Remuneration Committee by listed Public Limited Companies pursuant to the Listing Agreement is voluntary. Presently, the Company does not pay any remuneration to any Non-Executive Director other than commission and sitting fees for attending Board meetings.

Details of remuneration paid to the Executive and Non-Executive Directors for the year April 1, 2010 to March 31, 2011:

Name of the Director	Salary and Benefits	Commission (Rs.)	Perquisites and contribution to Provident Fund / Superannuation Fund	Terms of appointment
Mr. Prem Kishan Gupta	Nil	2,300,000	Nil	3 years w. e. f. July 20, 2009
Mr. Gopinath Pillai	Nil	2,300,000	Nil	N. A.
Mr. Shabbir Hassanbhai	Nil	1,700,000	Nil	N. A.
Mr. Sat Pal Khattar	Nil	600,000	Nil	N. A.
Mr. K. J. M. Shetty	Nil	900,000	Nil	N. A.
Mr. M. P. Pinto	Nil	900,000	Nil	N. A.
Mr. Kirpa Ram Vij	Nil	600,000	Nil	N. A.
Mr. Saroosh Dinshaw	Nil	900,000	Nil	N. A.
Mr. Arun Agarwal	Nil	600,000	Nil	N. A.

### 5. Investors' Relations Committee

#### i) Composition

This Committee comprises of five Directors. Mr. K. J. M. Shetty is the Chairman of the Committee and Mr. Gopinath Pillai, Mr. M. P. Pinto, Mr. Shabbir Hassanbhai and Mr. Saroosh Dinshaw, are the other members. All members of the Investors' Relations Committee are Non-Executive Directors.

During the year, five Investors' Relations Committee Meetings were held on April 30, 2010, June 30, 2010, July 26, 2010, November 14, 2010 and January 27, 2011. Attendance of each Investor's Relations Committee Member at the Investors' Relations Committee Meetings was as under:

Sr. No.	Name of Directors who are / were members of the Investors' Relations Committee during 2010 - 2011	No. of Meetings attended
1	Mr. K. J. M. Shetty	4
2	Mr. Gopinath Pillai	5
3	Mr. M.P. Pinto	4
4	Mr. Saroosh Dinshaw	5
5	Mr. Shabbir Hassanbhai	2

#### ii) Compliance Officer

Mr. R. Kumar, Deputy Chief Executive Officer and Chief Finance Officer cum Company Secretary.

#### iii) Complaints

91 complaints were received during the year under review. All the complaints have been generally resolved to the satisfaction of the share / debenture holders. There were no Share Transfers pending as on March 31, 2011.

## 6. General Body Meetings

### i) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Venue	No. of special resolutions passed
2007-2008	September 22, 2008	10.30 a.m.	Silver Jubilee Hall, Second floor, Navi Mumbai Sports Association, Near MGM Hospital, Sector 1A, Vashi, Navi Mumbai – 400 703	1 Commission payable to Non Whole-time Directors.
2008-2009	September 14, 2009	10.30 a.m.	Silver Jubilee Hall, Second floor, Navi Mumbai Sports Association, Near MGM Hospital, Sector 1A, Vashi, Navi Mumbai – 400 703	Nil
2009-2010	September 20, 2010	10.30 a.m.	Silver Jubilee Hall, Second floor, Navi Mumbai Sports Association, Near MGM Hospital, Sector 1A, Vashi, Navi Mumbai – 400 703	1 Issue, offer and allot by way of rights issue, public issue, private placement of equity shares or issue of instruments like debentures, bonds like FCCBs to FIIs / QIBs / Mutual funds etc.

### ii) No special resolution was put through Postal Ballot from the last AGM.

## 7. Disclosures

- i) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years.
- ii) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with the related parties are disclosed in Note 8 of Schedule “Q” to the accounts in the Annual Report.

## 8. Means of Communication

Quarterly results are published in one English daily newspaper (The Economic Times) circulating in the country and one Marathi newspaper (Maharashtra Times) published from Mumbai. During the financial year, the Company has not made any presentation to the institutional investors or analysts. The financial results are displayed on the Company's website [www.gateway-distriparks.com](http://www.gateway-distriparks.com).

Since the quarterly / half-yearly results are published in leading newspapers as well as displayed on the website, the same are not sent to the Shareholders of the Company.

The Company has designated an email ID: [investor@gateway-distriparks.com](mailto:investor@gateway-distriparks.com) for the purpose of registering complaints by investors.

## 9. General Shareholder Information

AGM: Date, Time and Venue	Wednesday, September 21, 2011 at 10.00 a.m. at Silver Jubilee Hall, Second floor, Navi Mumbai Sports Association, Near MGM Hospital, Sector 1A, Vashi, Navi Mumbai – 400 703
Financial calendar	i) Financial Year – April 1 to March 31 ii) First Quarter Results – Last Week of July, 20 11 iii) Half Yearly Results – Last Week of October, 2011 iv) Third Quarter Results – Last Week of January, 2012 v) Audited Results for the year 2011-12 – Last Week of May / June, 2012
Date of Book Closure	Saturday, September 10, 2011 to Wednesday, September 21, 2011 (both days inclusive)
Dividend Payment date	On or after September 30, 2011
Listing of Stock Exchange	<b>Bombay Stock Exchange Limited, Mumbai</b> <b>Code</b> 532622 <b>National Stock Exchange of India Ltd., Mumbai</b> <b>Symbol</b> GDL
ISIN Number for NSDL and CDSL	INE852F01015
Market Price Data High, Low during each month in last Financial Year	Please see <b>Annexure ‘A’</b>
Stock Performance	Please see <b>Annexure ‘B’</b>
Registrar and Transfer Agents	M/s. Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai – 400 078  Contact Person: Mr. Mahesh Masurkar Telephone No.: 2594 6970 Fax No.: 2594 6969 Email id: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
Share Transfer System	The Company's shares being in the compulsory dematerialised list are transferable through the depository system. All the Shares are dematerialised except 18 folios.
Distribution of shareholding and shareholding pattern as on March 31, 2011	Please see <b>Annexure ‘C’</b>
Dematerialisation of shares and liquidity	<b>96.60 %</b> of the paid-up Share Capital has been dematerialised as on March 31, 2011.
Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	Nil



CFS Location:	Container Freight Station Sector 6, Dronagiri, Taluka: Uran, District: Raigad Navi Mumbai – 400 707
Address for correspondence	Shareholders correspondence should be addressed to  M/s. Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai – 400 078  Contact Person: Mr. Mahesh Masurkar Telephone No.: 2594 6970 Fax No.: 2594 6969 Email id: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

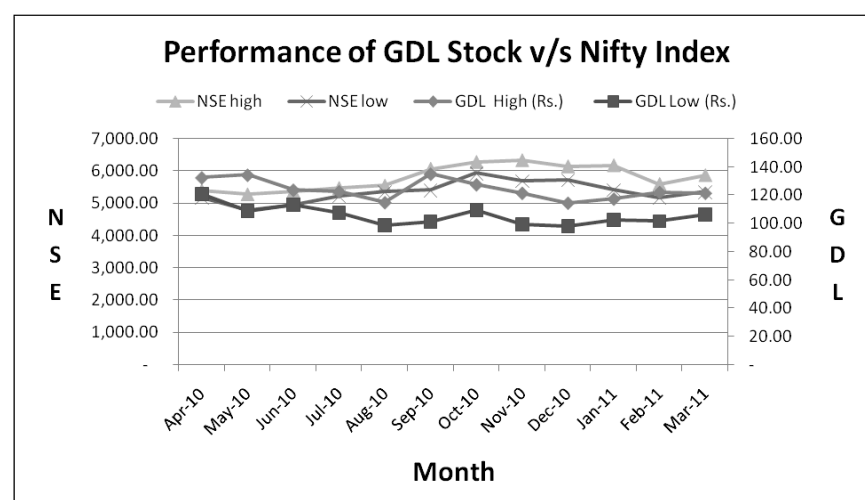
**Annexure 'A'**

Market price data- High / low during each month on National Stock Exchange

Month	High (Rs.)	Low (Rs.)
Apr-10	132.45	121.00
May-10	134.30	109.00
Jun-10	123.70	113.35
Jul-10	122.50	107.80
Aug-10	114.80	99.00
Sep-10	135.00	101.30
Oct-10	127.50	109.70
Nov-10	121.50	99.45
Dec-10	114.45	98.15
Jan-11	117.35	102.50
Feb-11	122.00	101.65
Mar-11	121.50	106.50

**Annexure 'B'**

Stock performance of the Company in comparison to NSE Index

**Annexure 'C'****i) Distribution Schedule as on March 31, 2011**

Shares Held	No. of Holders	Percent	No. of Shares	Percent
1-500	39,733	91.84	4,828,477	4.47
501-1000	2,016	4.66	1,525,375	1.41
1001-2000	807	1.87	1,192,430	1.10
2001-3000	220	0.51	552,971	0.51
3001-4000	111	0.26	400,963	0.37
4001-5000	74	0.17	348,796	0.33
5001-10000	128	0.29	924,831	0.86
Above 10001	173	0.40	98,225,989	90.95
<b>Total</b>	<b>43,262</b>	<b>100.00</b>	<b>107,999,832</b>	<b>100.00</b>

**ii) Shareholding Pattern as on March 31, 2011**

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
1	Indian Promoters	27,186,643	25.17%
2	Foreign Promoters	12,133,687	11.23%
3	Persons acting in concert #	4,428,500	4.10%
4	Mutual Funds and UTI	7,458,601	6.91%
5	Banks, Financial Institutions, Insurance Co.'s	7,177,094	6.65%
6	FII's	26,105,143	24.17%
7	Private Corporate Bodies	11,019,899	10.20%
8	Indian Public	9,759,131	9.04%
9	NRI/ OCB's	1,204,507	1.12%
10	Trusts	1,017	0.00%
11	Any other		
	- Independent Directors	1,333,313	1.23%
	- Clearing members	192,297	0.18%
	<b>TOTAL</b>	<b>107,999,832</b>	<b>100.00%</b>

# includes shares held by Non-Executive Directors, as per list given below:

Sr. No.	Name of Director	Number of Shares held
1	Mr. Gopinath Pillai	741,000
2	Mr. Sat Pal Khattar	3,300,000
3	Mr. Arun Agarwal	125,000

Declaration:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Team have complied with the Code of Conduct for the financial year ended March 31, 2011.

For and on behalf of the Board of Directors of  
Gateway Distriparks Limited

Prem Kishan Gupta  
Deputy Chairman and Managing Director

Place: New Delhi  
Dated: June 14, 2011

Auditors’ Certificate regarding compliance of conditions of Corporate Governance

To the Members of Gateway Distriparks Limited

1. We have examined the compliance of conditions of Corporate Governance by Gateway Distriparks Limited (“the Company”), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

Uday Shah  
Partner  
Membership No.: F-46061

Place: Mumbai  
Date: June 15, 2011

**AUDITORS' REPORT****TO THE MEMBERS OF GATEWAY DISTRI PARKS LIMITED**

1. We have audited the attached Balance Sheet of Gateway Distriparks Limited (the "Company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements together with the Notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

(ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

Place: Mumbai  
Date: June 15, 2011

**Uday Shah**  
Partner  
Membership Number F-46061



**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Gateway Distriparks Limited ("the Company") on the financial statements for the year ended March 31, 2011]

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) The fixed assets of the Company are physically verified by the Management according to the phased programme, designed to cover all the items over three years, which in our opinion, is reasonable with regards the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.  
  
(c) In our opinion, the Company has disposed off a substantial part of fixed assets during the year. On the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, in our opinion, the disposal of the said part of fixed assets has not affected the going concern status of the Company.
2. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, of India (the "Act"). Accordingly, the clauses (iii) (b) to (iii) (d) of the paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") are not applicable to the Company for the year.  
  
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the clauses (iii) (f) to (iii) (g) of Paragraph 4 of the Order are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, with regards explanation that certain items purchased and sold are of the special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness has been noticed or reported.
4. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.  
  
(b) In our opinion and according to the information and explanations given to us, with regards explanation that certain items purchased and sold are of the special nature for which suitable alternative sources do not exist for obtaining comparative quotations, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. five lakhs with respect to any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except dues with respect to income-tax, service-tax and Value Added Tax, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. There are no statutory dues outstanding as at March 31, 2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, customs duty, excise duty, wealth tax and cess as at March 31, 2011 which have not been deposited on account of any dispute. The particulars of dues of service tax and income tax as at March 31, 2011 which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
As per the provisions of Finance Act, 1994	Service Tax	32,581,255	October 2003 to March 2009	Customs, Excise and Service Tax Appellate Tribunal, Mumbai.
Income Tax Act, 1961	Income Tax	225,520,977	2006-2007, 2008-2009 and 2009-2010	Commissioner of Income Tax (Appeals)

8. The Company has no accumulated losses as of March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institution or bank as at the Balance Sheet date. Further, there were no dues payable to debenture holders as at the Balance Sheet date.
10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
12. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
13. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

14. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
15. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long-term investment.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
17. The Company has not issued any debentures.
18. The Company has not raised any money by public issues during the year.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
20. The other clauses (ii) and (viii) of paragraph 4 of the Order, are not applicable for the Company for the current year, since in our opinion, there is no matter that arise to be reported in the aforesaid Order.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Uday Shah**  
Partner  
Membership Number: F-46061

Place: Mumbai  
Date: June 15, 2011

### Balance Sheet as at March 31, 2011

	Schedule Reference	31.03.2011	31.03.2010
		Rs.	Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	A	1,079,998,320	1,079,049,010
Reserves and Surplus	B	5,709,650,215	5,605,075,880
		6,789,648,535	6,684,124,890
<b>Loan Funds</b>			
Secured Loans	C	92,710,427	158,853,212
<b>Deferred Tax Liabilities (Net)</b>			
	D	110,392,742	174,008,990
<b>TOTAL</b>		<b>6,992,751,704</b>	<b>7,016,987,092</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	2,616,700,849	3,229,126,214
Less: Depreciation		814,201,786	790,367,752
Net Block		1,802,499,063	2,438,758,462
Capital Work-in-Progress		2,557,393	105,290,314
		1,805,056,456	2,544,048,776
<b>Investments</b>			
	F	2,957,044,945	2,917,044,945
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	G	45,110,923	53,752,412
Cash and Bank Balances	H	881,754,008	200,979,343
Other Current Assets	I	32,314,073	18,271,145
Loans and Advances	J	1,834,742,790	1,651,207,465
		2,793,921,794	1,924,210,365
<b>Less: Current Liabilities and Provisions</b>			
Liabilities	K	149,545,183	91,037,294
Provisions		413,726,308	277,279,700
		563,271,491	368,316,994
<b>Net Current Assets</b>		<b>2,230,650,303</b>	<b>1,555,893,371</b>
<b>TOTAL</b>		<b>6,992,751,704</b>	<b>7,016,987,092</b>
<b>Notes to Accounts</b>			
	Q		
The Schedules referred to herein above form an integral part of the Balance Sheet.			
This is the Balance Sheet referred to in our report of even date.			
For <b>Price Waterhouse</b>		For and on behalf of the Board of Directors	
Firm Registration No. 301112E			
Chartered Accountants			
	<b>Gopinath Pillai</b>	<b>Prem Kishan Gupta</b>	
	Chairman	Deputy Chairman and	
		Managing Director	
<b>Uday Shah</b>			
Partner			
Membership No. F-46061			
	<b>R. Kumar</b>		
	Deputy Chief Executive Officer and Chief Finance		
	Officer cum Company Secretary		
Place: Mumbai		Place: New Delhi	
Date: June 15, 2011		Date: June 14, 2011	

Profit and Loss Account for the year ended March 31, 2011

	Schedule Reference	2010-2011	2009-2010
		Rs.	Rs.
<b>INCOME</b>			
Income from Operations	L	1,830,089,069	1,585,712,975
Other Income	M	84,936,164	83,988,842
		<b>1,915,025,233</b>	<b>1,669,701,817</b>
<b>EXPENDITURE</b>			
Employee Costs	N	86,371,008	64,408,357
Operating Expenses	O	814,977,130	723,614,679
Depreciation / Amortisation		142,189,561	149,821,694
Interest	P	14,365,124	13,427,245
		<b>1,057,902,823</b>	<b>951,271,975</b>
<b>Profit before Taxation</b>		<b>857,122,410</b>	<b>718,429,842</b>
Provision for Taxation [Refer Note 5 - Schedule "Q"]			
Income Tax - Current Year		175,000,000	130,000,000
- Earlier Years		4,792,701	(1,288,644)
- Minimum Alternate Tax Credit Entitlement		(107,400,000)	(190,000,000)
Deferred Tax		(63,616,248)	7,628,900
<b>Profit after Taxation</b>		<b>848,345,957</b>	<b>772,089,586</b>
Profit and Loss Account Balance Brought Forward		1,813,665,713	1,560,336,305
		2,662,011,670	2,332,425,891
Transfer to General Reserve		84,840,000	77,210,000
Interim Dividend paid		323,957,497	161,599,641
Proposed Interim Dividend		215,999,664	161,857,351
Proposed Final Dividend		107,999,832	53,952,451
Dividend paid for earlier year		148,274	-
Tax on Dividend		107,642,759	64,140,735
<b>Profit and Loss Account Balance Carried to Balance Sheet</b>		<b>1,821,423,644</b>	<b>1,813,665,713</b>
Earnings Per Share (Refer Note 10 - Schedule "Q")			
- Basic		7.86	7.17
- Diluted		7.85	7.17
Notes to Accounts	Q		
The Schedules referred to herein above form an integral part of the Profit and Loss Account.			
This is the Profit and Loss Account referred to in our report of even date.			
For <b>Price Waterhouse</b>	For and on behalf of the Board of Directors		
Firm Registration No. 301112E			
Chartered Accountants			
	<b>Gopinath Pillai</b>	<b>Prem Kishan Gupta</b>	
<b>Uday Shah</b>	Chairman	Deputy Chairman and Managing Director	
Partner			
Membership No. F-46061			
	<b>R. Kumar</b>		
	Deputy Chief Executive Officer and Chief Finance Officer cum Company Secretary		
Place: Mumbai	Place: New Delhi		
Date: June 15, 2011	Date: June 14, 2011		

Cash Flow Statement for the year ended March 31, 2011

		2010-2011	2009-2010
		Rs.	Rs.
<b>A. Cash flow from operating activities:</b>			
Profit before Taxation		857,122,410	718,429,842
<b>Adjustment for:</b>			
Depreciation		142,189,561	149,821,694
Provision for Doubtful Debts		1,951,148	3,061,783
Provision for ESOP Expenses		3,888,490	244,427
Interest Expense		14,365,124	13,427,245
Unrealised loss on Exchange Fluctuations		1,927,200	-
Interest Income		(33,642,605)	(6,635,992)
Gain on redemption of Current Investments		(3,362,392)	(4,557,458)
(Profit) / Loss on Sale / Disposal of Fixed Assets		(349,245)	4,143,118
Provision for Employee Benefits		4,229,855	1,379,393
Provision for Doubtful Ground Rent		-	9,311,900
Provision / (Write Back) for Contingencies		6,881,667	(24,351,118)
Write back of Doubtful Ground Rent		(7,294,600)	-
Liabilities / Provisions / Auction Surplus no Longer Required Written Back		(7,947,885)	(21,967,977)
<b>Operating profit before working capital changes</b>		<b>979,958,728</b>	<b>842,306,857</b>
<b>Adjustments for change in working capital:</b>			
- Decrease / (Increase) in Sundry Debtors		6,690,341	4,505,706
- Decrease / (Increase) in Loans and Advances		(5,805,099)	20,280,304
- (Decrease) / Increase in Trade and Other Payables		63,284,664	(23,372,318)
<b>Cash generated from operations</b>		<b>1,044,128,634</b>	<b>843,720,549</b>
- Taxes Paid		192,233,887	115,894,740
<b>Net cash from operating activities</b>	<b>(A)</b>	<b>851,894,747</b>	<b>727,825,809</b>
<b>B. Cash flow from investing activities:</b>			
Purchase of Fixed Assets (including Capital Work-in-Progress)		(122,054,155)	(94,401,030)
Sale of Fixed Assets		719,206,159	8,114,615
Purchase of Investments		(197,000,000)	(700,000,000)
Purchase of Shares in Subsidiary Companies		(60,000,000)	(230,510,500)
Sale of Investments		220,362,392	784,557,458
Share Application Money - (Given) / Refunded		(59,339,678)	(163,189,367)
Interest Received		28,354,915	7,356,119
<b>Net cash from / (used in) investing activities</b>	<b>(B)</b>	<b>529,529,633</b>	<b>(388,072,705)</b>
<b>C. Cash flow from financing activities:</b>			
Proceeds from fresh Issue of Shares (net of share issue expenses)		9,037,224	18,343,204
Proceeds from long term borrowings		156,200,000	100,000,000
Repayment of long term borrowings		(222,342,785)	(30,977,292)
Interest Paid		(14,580,451)	(12,833,338)
Payment of Dividend		(538,456,336)	(375,345,712)
Payment of Dividend Tax		(90,507,367)	(64,075,623)
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>(700,649,715)</b>	<b>(364,888,761)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>680,774,665</b>	<b>(25,135,657)</b>
Cash and Cash Equivalents at the beginning of the year		200,979,343	226,115,000
Cash and Cash Equivalents at the year end		881,754,008	200,979,343
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>680,774,665</b>	<b>(25,135,657)</b>
		<b>31.03.2011</b>	<b>31.03.2010</b>
	Rs.	Rs.	Rs.
<b>Cash and Cash Equivalents comprise:</b>			
Cash on Hand		643,291	545,157
Cheques on Hand		6,233,475	3,932,014
Balances with Scheduled Banks:			
- in Current Accounts	89,824,985		129,908,888
- in Unclaimed Dividend Accounts	6,209,547		4,750,310
- in Unclaimed Share Application Accounts	753,840		753,840
- in Unclaimed Fractional Bonus Shares Account	88,870		89,134
- in Deposit Account	778,000,000		61,000,000
		874,877,242	196,502,172
<b>Cash and Cash Equivalents at the year-end</b>		<b>881,754,008</b>	<b>200,979,343</b>



## Cash Flow Statement for the year ended March 31, 2011

<b>Notes:</b>		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on "Cash Flow Statements" notified under Section 211(3C) of the Companies Act, 1956, of India.		
2. Fixed Deposits with banks include Rs. 78,000,000 (Previous year: Rs. 61,000,000) under lien with the banks towards guarantee issued by them and loans given to subsidiaries.		
3. Previous year's figures have been regrouped / rearranged wherever necessary.		
This is the Cash Flow Statement referred to in our report of even date.		
For <b>Price Waterhouse</b> Firm Registration No. 301112E Chartered Accountants	For and on behalf of the Board of Directors	
	<b>Gopinath Pillai</b> Chairman	<b>Prem Kishan Gupta</b> Deputy Chairman and Managing Director
<b>Uday Shah</b> Partner Membership No. F-46061		
	<b>R. Kumar</b> Deputy Chief Executive Officer and Chief Finance Officer cum Company Secretary	
Place: Mumbai Date: June 15, 2011	Place: New Delhi Date: June 14, 2011	

## Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011

	31.03.2011	31.03.2010
	Rs.	Rs.
<b>"A" Capital</b>		
Authorised:		
125,000,000 (Previous year: 125,000,000) Equity Shares of Rs. 10 each	1,250,000,000	1,250,000,000
Issued and Subscribed:		
107,999,832 (Previous year: 107,904,901) Equity Shares of Rs. 10 each, fully paid-up	1,079,998,320	1,079,049,010
	<b>1,079,998,320</b>	<b>1,079,049,010</b>
<b>Notes:</b>		
1. Of the above, 39,091,775 Equity Shares of Rs. 10 each were allotted as fully paid bonus shares by capitalisation of Securities Premium and surplus in Profit and Loss Account.		
2. During the year, pursuant to Employee Stock Option Plan 2005, the Company has allotted 70,902 Equity Shares on April 29 2010, 5,274 Equity Shares on July 20, 2010 and 1,000 Equity Shares on March 16, 2011 at a premium of Rs. 82.92 per Equity Share.		
3. During the year, pursuant to Employee Stock Option Plan 2005, the Company has allotted 970 Equity Shares on April 29, 2010, 3,785 Equity Shares on July 20, 2010 and 5,100 Equity Shares on March 16, 2011 at a premium of Rs. 99.25 per Equity Share.		
4. During the year, pursuant to Employee Stock Option Plan 2005, the Company has allotted 7,900 Equity Shares on March 16, 2011 at a premium of Rs. 89.92 per Equity Share.		
5. For Employee Stock Option Plan 2005 - Refer Notes 1(ix) and 4 - Schedule "Q".		
<b>"B" Reserves and Surplus</b>		
<b>Securities Premium Account</b>		
Opening Balance	3,332,293,483	3,311,280,192
Add: Received during the year (Refer Notes 2, 3 and 4 - Schedule "A")	8,087,914	16,427,574
Add: Transfer from Employees Stock Options Outstanding on exercise of ESOP	2,259,280	4,585,717
	<b>3,342,640,677</b>	<b>3,332,293,483</b>
<b>Capital Redemption Reserve</b>		
Opening Balance	78,834,120	78,834,120
	<b>78,834,120</b>	<b>78,834,120</b>
<b>General Reserve</b>		
Opening Balance	371,875,880	294,665,880
Add: Transfer from Profit and Loss Account	84,840,000	77,210,000
	<b>456,715,880</b>	<b>371,875,880</b>
<b>Profit and Loss Account Balance</b>	<b>1,821,423,644</b>	<b>1,813,665,713</b>
<b>Employees Stock Options Plan (ESOP) Outstanding</b> (Refer Notes 1(ix) and 4 - Schedule "Q")		
Opening Balance	8,406,684	12,747,974
Add: Addition during the year	3,888,490	244,427
Less: Transfer to Securities Premium Account on exercise of ESOP	(2,259,280)	(4,585,717)
	<b>10,035,894</b>	<b>8,406,684</b>
	<b>5,709,650,215</b>	<b>5,605,075,880</b>

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011

	31.03.2011	31.03.2010
	Rs.	Rs.
"C" Secured Loans		
Term Loans		
- From a Bank [Refer Note 1 below]	-	158,853,212
- Vehicle Finance Loan from a Bank [Refer Note 2 below]	92,710,427	-
	92,710,427	158,853,212
Notes:		
1. Term Loan of Rs. Nil (Previous year: 158,853,212) from HDFC Bank Limited was secured by way of hypothecation by way of first charge on all movable plant and machinery and book debts, both present and future, and exclusive charge on immovable properties of the Company situated at Dronagiri together with all buildings, structures, installations, fixed plant and machinery, fixtures and fittings, constructed, installed or erected thereon. The aforesaid charge has been satisfied from the bank during current year. [Term Loan repayable within one year Rs. Nil (Previous year: Rs. 45,870,907)]		
2. Vehicle Finance Loan from Bank of Rs. 92,710,427 (Previous year: Rs. Nil) are secured by way of hypothecation of the Company's Commercial Vehicles (Trailors). [Term Loan repayable within one year Rs. 34,556,812 (Previous year: Rs. Nil)]		
"D" Deferred Tax Liabilities (Net)		
[Refer Note 1(viii) - Schedule "Q"]		
Deferred Tax Liabilities		
Timing difference between book and tax depreciation	115,522,440	174,008,990
	115,522,440	174,008,990
Deferred Tax Assets		
Accrual for expenses allowable as tax deduction only on payment	5,129,698	-
	5,129,698	-
	110,392,742	174,008,990

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011  
"E" Fixed Assets  
[Refer Notes 1(ii) and 1(iii) - Schedule "Q"]

Particulars	As at		Cost		As at	Depreciation / Amortisation		Net Book Value	
	31.03.2010	Rs.	Additions / Adjustments during the year	Deductions / Adjustments during the year	31.03.2011	Up to 31.03.2010	Depreciation for the year	Up to 31.03.2011	As at 31.03.2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Intangible Assets									
Punjab Conware's Container Freight Station - Upfront Fees	350,000,000		-	-	350,000,000	66,000,000	24,000,000	90,000,000	260,000,000
Tangible Assets									
Freehold Land	374,509,751		-	341,744,589	32,765,162	-	-	-	32,765,162
Leasehold Land	268,258,705		-	-	268,258,705	53,316,328	4,470,980	57,787,308	210,471,397
Buildings	1,394,481,022		24,574,979	199,972,340	1,219,083,661	360,122,446	49,045,591	380,211,868	838,871,793
Electrical Installations	45,442,157		-	-	45,442,157	13,964,107	2,572,396	16,536,503	28,905,654
Rail Siding (Refer Note 1 below)	85,805,411		-	85,805,411	-	22,201,984	738,375	-	-
Plant and Machinery	4,811,801		-	-	4,811,801	1,929,927	228,560	2,158,487	2,653,314
Yard Equipments (Refer Note 2 below)	469,174,588		69,730,578	208,538,916	330,366,250	124,440,829	26,511,859	85,191,718	245,174,532
Office Equipments	14,481,349		-	-	14,481,349	4,026,168	787,704	4,813,872	9,667,477
Computers	28,845,536		4,842,679	-	33,688,215	21,841,661	2,451,934	24,293,595	9,394,620
Furniture and Fixtures	30,924,130		-	-	30,924,130	11,036,024	1,858,708	12,894,732	18,029,398
Vehicles (Refer Note 3 below)	162,391,764		125,638,840	1,151,185	288,879,419	111,488,278	29,523,454	140,313,703	146,565,716
TOTAL	3,229,126,214		224,787,076	837,212,441	2,616,700,849	790,367,752	142,189,561	814,201,786	1,802,499,063
Previous year	3,220,980,553		29,458,717	21,313,056	3,229,126,214	649,601,381	149,821,694	790,367,752	2,557,393
Capital Work-in-Progress [Including Capital Advance Rs. 2,557,393 (Previous year: Rs. 3,809,156)]									105,290,314
Notes:									1,805,056,456
1. Railway Siding includes Rs. Nil (Previous year: Rs. 70,471,534) being cost of railway siding constructed on land not owned by the Company.									
2. Yard Equipments include Reach Stackers Costing Rs. 272,179,062 (Previous year: Rs. 410,880,282) and having Net Book Value Rs. 204,849,947 (Previous year: Rs. 302,992,823).									
3. Vehicles include Trailors Costing Rs. 271,932,835 (Previous year: Rs. 149,470,144) and having Net Book Value Rs. 135,057,870 (Previous year: Rs. 40,882,795).									

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011

	31.03.2011	31.03.2010
	Rs.	Rs.
<b>"F" Investments</b>		
[Refer Note 1(iv) - Schedule "Q"]		
(At Cost - Long Term, Unquoted, Trade)		
<b>In Subsidiary Companies</b>		
8,000,000 (Previous year: 8,000,000) Equity Shares of Rs. 10 each fully paid in Gateway East India Private Limited	148,400,000	148,400,000
99,000 (Previous year: 99,000) Equity Shares of Rs. 100 each fully paid in Gateway Distriparks (South) Private Limited	134,280,767	134,280,767
196,000,000 (Previous year: 190,000,000) Equity Shares of Rs. 10 each fully paid in Gateway Rail Freight Limited [Purchased during the year Rs. 60,000,000 (6,000,000 Equity Shares), Previous year: Rs. 116,500,000 (11,650,000 Equity Shares)] [190,000,000 (Previous year: 103,999,899) Equity Shares are pledged with lenders for loans given by them to Gateway Rail Freight Limited]	1,960,000,000	1,900,000,000
53,711,619 (Previous year: 53,711,619) Equity Shares of Rs. 10 each fully paid in Snowman Logistics Limited (Formerly Snowman Frozen Foods Limited) [Purchased during the year Rs. Nil (Nil Equity Shares), Previous year: Rs. 114,010,500 (13,413,000 Equity Shares)]	584,064,178	584,064,178
30,000 (Previous year: 30,000) Equity Shares of Rs. 10 each fully paid in Gateway Distriparks (Kerala) Limited	300,000	300,000
	<b>2,827,044,945</b>	<b>2,767,044,945</b>
<b>Current Investment (at lower of Cost and Net Asset Value) (Non-Trade and Unquoted)</b>		
6,604,852 (Previous year: 8,116,664) units of HDFC Liquid Fund - Premium Plus Plan - Growth [Net Assets Value Rs. 130,071,332 (Previous year: Rs. 150,103,893)]	130,000,000	150,000,000
<b>Total</b>	<b>2,957,044,945</b>	<b>2,917,044,945</b>
Note:	<b>Units</b>	<b>Cost Rs.</b>
The following investments were purchased and sold during the year 2010-2011:		
- HDFC Liquid Fund - Premium Plus Plan - Growth	34,984,550	67,000,000
<b>"G" Sundry Debtors</b>		
[Unsecured]		
Debts Outstanding for a Period exceeding Six Months		
- Considered Good	-	-
- Considered Doubtful	9,789,076	11,210,669
	9,789,076	11,210,669
Other Debts		
- Considered Good	45,110,923	53,752,412
- Considered Doubtful	3,907,406	2,430,921
	58,807,405	67,394,002
Less: Provision for Doubtful Debts	13,696,482	13,641,590
	<b>45,110,923</b>	<b>53,752,412</b>

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011

<b>"H" Cash and Bank Balances</b>		
Cash on Hand	643,291	545,157
Cheques on Hand	6,233,475	3,932,014
Balances with Scheduled Banks:		
- in Current Accounts	89,824,985	129,908,888
- in Unclaimed Dividend Accounts	6,209,547	4,750,310
- in Unclaimed Share Application Accounts	753,840	753,840
- in Unclaimed Fractional Bonus Shares Account	88,870	89,154
- in Fixed Deposit Accounts	778,000,000	61,000,000
[Under lien with banks Rs. 78,000,000 (Previous year: Rs. 61,000,000) towards guarantee issued by them and loans given to subsidiaries]		
	<b>881,754,008</b>	<b>200,979,543</b>
<b>"I" Other Current Assets</b>		
(Unsecured)		
Accrued Interest on Fixed Deposits with Banks	6,770,954	1,483,264
Accrued Ground Rent		
- Considered Good	18,514,688	9,759,450
- Considered Doubtful	16,300,800	23,595,400
	34,815,488	33,354,850
Less: Provision for Doubtful Ground Rent	16,300,800	23,595,400
	18,514,688	9,759,450
Claims Receivable [Refer Note 2(b) - Schedule "Q"]	7,028,431	7,028,431
	<b>32,314,073</b>	<b>18,271,145</b>
<b>"J" Loans and Advances</b>		
(Unsecured and Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	33,833,525	25,639,759
Balances with Excise and Custom Authorities	85,761	7,080,266
Share Application in a Subsidiary Company		
- Gateway Rail Freight Limited	1,150,000,000	1,500,417,713
- Gateway Distriparks (Kerala) Limited	287,373,392	119,700,000
- Gateway East India Private Limited	47,565,721	5,481,722
Security Deposits - Others	2,602,417	4,457,217
Tax Deducted at Source and Advance Tax	15,881,974	3,430,788
[Net of Provision for Tax Rs. 50,50,00,000 (Previous year: Rs. 354,000,000)]		
[Refer Notes 5 and 6 - Schedule "Q"]		
Minimum Alternate Tax Credit Entitlement [Refer Note 5 - Schedule "Q"]	297,400,000	190,000,000
	<b>1,834,742,790</b>	<b>1,651,207,465</b>

## Schedules annexed to and forming part of the Balance Sheet as at March 31, 2011

	31.03.2011	31.03.2010
	Rs.	Rs.
<b>"K" Current Liabilities and Provisions</b>		
Current Liabilities		
Sundry Creditors (Refer Note 16 - Schedule "Q")		
- Due to Micro Enterprises and Small Enterprises	-	-
- Due to Others	61,463,615	59,460,018
- Due to Subsidiary Company Gateway Rail Freight Limited	854,685	-
Buyers' Credit	61,255,200	-
Security Deposits Received	2,697,976	2,653,930
Income Received in Advance	16,706	140,206
Advances from Customers	10,829,140	12,277,757
Auction Surplus [Refer Note 1(vii)(b) - Schedule "Q"]	1,562,630	6,293,783
Interest Accrued but not Due on Term Loans	1,190,746	1,406,073
Unclaimed Dividend *	6,209,547	4,750,310
Unclaimed Share Application Accounts *	753,840	753,840
Unclaimed Fractional Bonus Shares *	88,870	89,134
Other Liabilities	2,622,228	3,212,243
	<b>149,545,183</b>	<b>91,037,294</b>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
<b>Provisions</b>		
Wealth Tax	82,000	72,000
Proposed Interim Dividend	215,999,664	161,857,351
Proposed Final Dividend	107,999,832	53,952,451
Tax on Dividend	53,812,268	36,676,876
Employee Benefits [Refer Notes 1(vi) and 15 - Schedule "Q"]		
- Leave Encashment	6,684,008	5,195,760
- Gratuity (Net)	8,758,749	6,017,142
Contingencies [Refer Notes 1(xi) and 19 - Schedule "Q"]	20,389,787	13,508,120
	<b>413,726,308</b>	<b>277,279,700</b>
<b>TOTAL</b>	<b>563,271,491</b>	<b>368,316,994</b>

## Schedules annexed to and forming part of the Profit &amp; Loss Account as at March 31, 2011

	2010-2011	2009-2010
	Rs.	Rs.
<b>"L" Income from Operations</b>		
[Refer Note 1(vii) - Schedule "Q"]		
Ground Rent - Gross	601,387,747	450,635,432
[Tax Deducted at Source Rs. 9,347,495; (Previous year: Rs. 13,245,761)]		
Container Storage, Handling and Repair - Gross	1,118,239,435	1,033,380,817
[Tax Deducted at Source Rs. 15,673,068; (Previous year: Rs. 22,209,343)]		
Service Charges	86,013,605	81,863,232
Auction Sales	24,448,282	19,833,494
	<b>1,830,089,069</b>	<b>1,585,712,975</b>
<b>"M" Other Income</b>		
Rent - Gross	10,471,463	12,204,205
[Tax Deducted at Source Rs. 849,791; (Previous year: Rs. 987,236)]		
Buffer Handling Fees - Gross	21,867,974	14,272,092
[Tax Deducted at Source Rs. 355,446; (Previous year: Rs. 314,843)]		
Interest on Fixed Deposits with Banks - Gross	26,270,002	5,980,078
[Tax Deducted at Source Rs. 2,679,088; (Previous year: Rs. 682,643)]		
Interest from Subsidiary Company - Gross	7,372,603	-
[Tax Deducted at Source Rs. 737,260; (Previous year: Rs. Nil)]		
Interest on Income Tax Refund	-	655,914
Gain on redemption of Current Investments	3,362,392	4,557,458
Liabilities / Provisions no longer required Written Back	1,654,102	41,459,102
Write back of Auction Surplus	6,293,783	4,859,993
Write back of Provision for Doubtful Ground Rent no longer required (Net)	7,294,600	-
Profit on Sale / Disposal of Fixed Assets (Net)	349,245	-
	<b>84,936,164</b>	<b>83,988,842</b>



## Schedules annexed to and forming part of the Profit &amp; Loss Account as at March 31, 2011

	2010-2011	2010-2011	2009-2010
	Rs.	Rs.	Rs.
<b>"N" Employee Costs</b>			
Salaries, Allowances and Bonus		68,964,544	55,391,160
Contribution to Provident and Other Funds		4,619,848	3,834,186
Leave Encashment		3,490,044	2,400,202
Gratuity		3,714,406	750,403
Staff Welfare		1,693,676	1,787,979
Employees Stock Options Expense		3,888,490	244,427
		<b>86,371,008</b>	<b>64,408,357</b>
<b>"O" Operating and Other Expenses</b>			
Transportation		235,639,892	189,079,660
Labour Charges		75,787,934	80,043,815
Equipment Hire Charges		19,594,513	17,044,099
Surveyors' Fees		11,598,525	10,105,875
Sub-Contract Charges		124,870,542	107,394,178
Auction Expenses [Refer Note 1(vii)(b) - Schedule "Q"]		9,269,342	10,040,374
Purchase of Pallets		11,549,943	13,602,106
Fees on Operations and Management of Punjab Conware's Container Freight Station		130,404,133	114,917,631
Power and Fuel		39,082,239	39,617,633
Rates and Taxes		21,827,140	30,091,152
Repairs and Maintenance:			
- Building / Yard		12,369,623	5,618,332
- Plant and Machinery		17,063,772	4,826,341
- Others		7,727,611	3,308,637
Insurance		8,918,890	8,634,849
Directors' Sitting Fees		904,536	1,154,159
Customs Staff Expenses		6,929,407	146,428
Printing and Stationery		3,754,187	4,036,925
Travelling and Conveyance		13,521,684	17,547,785
Motor Car Expenses		4,059,892	4,300,749
Communication		4,564,343	4,190,649
Advertising Expenses		3,225,541	2,707,160
Security Charges		19,761,375	19,232,209
Professional Fees		11,946,393	7,747,273
Auditors' Remuneration:			
- As Auditors	2,950,000		2,950,000
- As Advisors, or in any other capacity, in respect of Other Services	150,000		150,000
- Reimbursement of Out-of-Pocket Expenses	39,408		63,792
Bad Debts	1,896,256		3,836,486
Less: Provision for Doubtful Debts Adjusted	(1,896,256)		(3,836,486)
		-	-
Provision for Doubtful Debts [Refer Note 1(x) - Schedule "Q"]		1,951,148	3,061,783
Provision for Doubtful Ground Rent (Net)		-	9,311,900
Loss on Sale / Disposal of Fixed Assets [Refer Note 2(b) - Schedule "Q"]		-	4,143,118
Stamp Duty and Share Issue Expenses		18,487	22,649
Foreign Exchange Loss (Net)		5,143,200	-
Bank Charges		4,759,016	5,243,383
Miscellaneous		5,594,414	3,280,035
		<b>814,977,130</b>	<b>723,614,679</b>
<b>"P" Interest</b>			
Term Loan		8,613,366	13,427,245
Buyers' Credit		1,207,619	-
Vehicle Finance Loan		4,544,139	-
		<b>14,365,124</b>	<b>13,427,245</b>

## GATEWAY DISTRI PARKS LIMITED

Schedules forming part of the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year then ended

## “Q” NOTES TO THE ACCOUNTS

## 1. SIGNIFICANT ACCOUNTING POLICIES:

## (i) Basis of Accounting:

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956, of India (“the Act”) and the relevant provisions of the Act.

## (ii) Fixed Assets and Depreciation/ Amortisation:

(a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation. The Company capitalises all costs relating to the acquisition, installation and construction of fixed assets, including interest on borrowed funds used to finance the construction and acquisition of fixed assets, up to the date when the assets are ready for commercial use.

(b) Depreciation on additions / deletions to fixed assets is calculated on pro-rata basis from the month of such additions / deletions. The Company provides depreciation on straight-line method at the rates specified under Schedule XIV (revised) to the Act or based on useful life whichever is higher, except for:

- Leasehold land, which is being amortised over the lease period;
- Rail Siding, which is being amortised over a period of twenty years based on useful life estimated by the Management;
- Reach Stackers (included in Yard Equipments), to be transferred to maintenance operator, are being depreciated over a period of seven years;
- Upfront fees of Punjab Conware's Container Freight Station (“CFS”), is being amortised over the balance period of the Operations and Management Agreement of the CFS with effect from July 1, 2007 (balance life as on March 31, 2011 is 10 years and 10 months); and
- Additions / construction of Building, Electrical Installations, Furniture and Fixtures and Office Equipments at Punjab Conware CFS are being amortised over the balance period of the Operations and Management Agreement of the CFS with effect from July 1, 2007.

(c) Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition / construction.

(d) Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**(iii) Borrowing Cost:**

Borrowing costs directly attributable to the acquisition / construction of an asset are apportioned to the cost of the fixed assets up to the date on which the asset is put to use / commissioned.

**iv) Investments:**

Investments are classified into long-term and current investments. Long-term investments are stated at cost, except where there is a diminution in value other than temporary, in which case the carrying value is reduced to recognise the decline. Current investments are stated at the lower of cost and fair value.

**(v) Foreign Currency Transactions:**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction date. Realised gains and losses on settlement of foreign currency transactions are recognised in the Profit and Loss Account. Foreign currency monetary assets and monetary liabilities at the year-end are translated at the year-end exchange rates, and the resultant exchange difference is recognised in the Profit and Loss Account.

**(vi) Employment Benefits:****(a) Defined Contribution Plan**

The Company has Defined Contribution plans for post employment benefits namely Provident Fund and Pension Scheme which are recognised by the Income Tax Authorities and administered through appropriate authorities.

The Company contributes to a Government administered Provident Fund and Pension Scheme and has no further obligation beyond making its contribution.

The Company's contribution to the above funds is charged to revenue every year.

**(b) Defined Benefit Plan**

The Company has a Defined Benefit Plan comprising of Gratuity Fund. The liability for the defined benefit plan is provided on the basis of an actuarial valuation carried out by an independent actuary as at the Balance Sheet date. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

The gratuity scheme is funded through Comprehensive Gratuity Policy - cum - Group Term Life Insurance Policy from Tata AIG Life Insurance Company Limited, except for employees of Punjab Conware's CFS, the operations wherein are taken over by the Company under Operations and Management Agreement.

Termination benefits are recognised as an expense as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

**(c) Other Employee Benefits**

The employees of the Company are entitled to leaves as per the leave policy of the Company. The liability with respect to unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date.

**(vii) Revenue Recognition:**

**(a)** Income from Container Handling and Repair and Service Charges is recognised on delivery of the container / cargo. Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station / Inland Container Depot. However, in case of long standing containers, the Income from Ground Rent is not accrued for a period beyond 60 days on a consistent basis as per the prevailing business practice.

**(b)** Income from auction sales is generated when the Company auctions long-standing cargo that has not been cleared by customs. Revenue and expenses for Auction Sales are recognised when auction is completed after necessary approvals from appropriate authorities are obtained. Auction Sales include recovery of the cost incurred in conducting auctions, custom duties on long-standing cargo and accrued ground rent and handling charges relating to long-standing cargo. Surplus, out of auctions, if any, after meeting all expenses and the actual ground rent, is credited to a separate account 'Auction Surplus' and is shown under the head 'Current Liabilities and Provisions'. Unclaimed Auction Surplus, if any, in excess of one year is written back as 'Income' in the following financial year.

**(viii) Taxes on Income:****(a) Current Taxation**

The Current Tax is determined as the amount of tax payable with respect to taxable income for the year as per The Income Tax Act, 1961, of India.

**(b) Deferred Taxation**

Deferred Tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognized unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred Tax is not recognised on timing differences, which would arise and are expected to be reversed during the period of tax holiday.

**(c) Minimum Alternate Tax Credit**

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

**(ix) Employees' Stock Option Scheme:**

Stock Options granted to the employees under stock option schemes are evaluated as per the accounting treatment prescribed by Employees Stock Option Scheme and Employee Stock Purchase Scheme Guidelines,

1999 issued by the Securities and Exchange Board of India (SEBI). Accordingly, the excess of the fair value of the stock option as on the date of grant of options is charged to the Profit and Loss Account on straight-line-method over the vesting period of the options. The fair value of the options is measured on the basis of an independent valuation performed or the market price with respect to stock options granted.

#### (x) Provision for doubtful debts

The provision for doubtful debts reflects the Management's best estimate of probable losses inherent in the accounts receivable balance. The Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries.

#### (xi) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

## 2. CONTINGENT LIABILITIES

Particulars	2010-2011	2009-2010
Bank Guarantees and Continuity Bonds issued in favour of The President of India through the Commissioners of Customs and in favour of Sales Tax Authorities.	6,083,984,801	5,322,800,000
Bank Guarantee and Continuity Bonds issued in favour of Punjab State Container and Warehousing Corporation Limited with respect to Operations and Management Contract of their CFS at Dronagiri Node, Nhava Sheva.	2,170,000,000	58,000,000
Counter indemnity for guarantees issued by bank for loans taken by subsidiaries and for guarantees given by banks to Commissioner of Customs and to State Pollution Control Board for Subsidiaries.	1,141,225,586	2,734,621,437
Claims made by the Party not acknowledged as debts		
- Container Corporation of India Limited (Refer Note "a" below)	Not Ascertainable	Not Ascertainable
- Others	9,357,714	9,757,714

Disputed Service Tax Claims (including Interest and Penalty to the extent ascertainable) not acknowledged as debts	32,581,255	32,581,255
Disputed Income Tax Claims (including Interest and Penalty to the extent ascertainable) not acknowledged as debts	686,700,971	Nil
Disputed Income Tax Deducted at Source Claims (including Interest and Penalty to the extent ascertainable) not acknowledged as debts	4,854,380	Nil
<b>Total</b>	<b>10,128,704,707</b>	<b>8,157,760,406</b>

#### Notes:

(a) The Company ("GDL") and its subsidiary company, Gateway Rail Freight Limited ("GRFL") are involved in an arbitration proceeding with Container Corporation of India Limited ("Concor") with respect to agreements entered into by the parties for operation of container trains from the Inland Container Depot and Rail Siding of the Company at Garhi Harsaru, Gurgaon. Concor has raised claims on GDL and GRFL on various issues in respect to the aforesaid agreements. Based on legal opinion, the Management has taken a view that these claims are at a preliminary stage and the question of maintainability of the alleged disputes as raised by Concor under the aforesaid agreements is yet to be determined and are not sustainable. Pending conclusion of the arbitration, the parties are maintaining "status quo" with respect to the operations at Garhi Harsaru, Gurgaon.

(b) There was a fire at one of the warehouses of Punjab Conware Container Freight Station for which the Company is the "Operations and Management Operator" for 15 years with effect from February 1, 2007. The extent of damage / loss to the warehouses and the cargo stored in the warehouse is being assessed by surveyors appointed by the Insurers. The Company is in the process of compiling the necessary information, assessing the situation and lodging insurance claims. Pending assessment of surveyor, the Company has written-off other equipments, furniture and fixtures aggregating Rs. 2,148,386 during the financial year 2009-2010. Further, loss of building and electrical installations aggregating Rs. 7,028,431 (Previous year: Rs. 7,028,431) has been disclosed as 'Claim Recoverable' under other current assets.

## 3. CAPITAL COMMITMENTS:

Estimated amount of contracts (net of advances of Rs. 2,557,393; Previous year: Rs. 3,809,156) remaining to be executed on capital account and not provided for is Rs. 1,033,907 (Previous year: Rs. 83,889,241).

#### 4. EMPLOYEE STOCK OPTION PLAN

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on September 14, 2005, the Company had introduced new ESOP scheme for its Directors and employees.

Particulars	ESOP 2005-I	ESOP 2005-II	ESOP 2005-III	ESOP 2005-IV
Date of meeting of ESOP Committee / Board of Directors, granting the options	September 15, 2005	July 20, 2006	January 30, 2008	January 29, 2010
Maximum grant of options by ESOP Committee / Board of Directors	240,000 Equity Shares of Face Value Rs. 10 each	311,750 Equity Shares of Face Value Rs. 10 each	306,875 Equity Shares of Face Value Rs. 10 each	345,000 Equity Shares of Face Value Rs. 10 each
Adjustment for issue of Bonus shares, in the ratio of 1 new equity share for every 4 existing shares held in the Company, made on August 4, 2007	24,798 Equity Shares	65,812 Equity Shares	-	-
Vesting period	Options to vest on a graded basis after a minimum exercise period of 1 year from September 16, 2005.	Options to vest on a graded basis after a minimum exercise period of 1 year from July 21, 2006.	Options to vest on a graded basis after a minimum exercise period of 1 year from January 31, 2008.	Options to vest on a graded basis after a minimum exercise period of 1 year from January 30, 2010.
Exercise period	Three years from the date of vesting, on graded basis.	Three years from the date of vesting on graded basis	Three years from the date of vesting, on graded basis.	Three years from the date of vesting, on graded basis.
Exercise Price (including Share Premium above Face Value Rs. 10 per share)	Rs. 163.64 per share (at the time of grant of options) Rs. 130.92 per share (after adjustment for Bonus issue)	Rs. 136.56 per share (at the time of grant of options) Rs. 109.25 per share (after adjustment for Bonus issue)	Rs. 92.92 per share	Rs. 99.92 per share
Options outstanding as on March 31, 2011	39,473 Equity Shares	87,220 Equity Shares	31,587 Equity Shares	329,100 Equity Shares

Method of Accounting and Intrinsic Value	The excess of Fair Value (Closing Market Price on National Stock Exchange as on September 14, 2005) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortized over the vesting period	The excess of Fair Value (Closing Market Price on National Stock Exchange as on July 19, 2006) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortized over the vesting period	The excess of Fair Value (Closing Market Price on National Stock Exchange as on January 29, 2008) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortized over the vesting period	The excess of Fair Value (Closing Market Price on National Stock Exchange as on January 28, 2010) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortized over the vesting period
------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The details of movement in ESOP plans are given below:

(No. of Equity Shares)				
Particulars	ESOP Plan I	ESOP Plan II	ESOP Plan III	ESOP Plan IV
Options granted	264,798 (264,798)	377,562 (377,562)	306,875 (306,875)	345,000 (345,000)
Less: Options exercised	33,800 (33,800)	161,992 (152,137)	235,477 (158,301)	7,900 (-)
Less: Options lapsed	191,525 (165,562)	128,350 (123,375)	39,811 (39,249)	8,000 (4,000)
Options outstanding at the end of the year	39,473 (65,436)	87,220 (102,050)	31,587 (109,325)	329,100 (341,000)

(Figures in brackets represents previous year.)



**5.** Based on opinions obtained from lawyer and tax consultant, the Management has taken a view that provisions of Section 80-IA (4) (i) of the Income Tax Act, 1961, of India ("the Income Tax Act") have been fulfilled and the Company is eligible for tax holiday under the Income Tax Act in respect of the Container Freight Station activities. Consequently, the income-tax liability for the year ended March 31, 2011 has been determined under "Minimum Alternate Taxation ("MAT")" pursuant to Section 115JB of the Income Tax Act. Considering the balance term of Section 80-IA (4) (i) of the Income Tax Act and based on the assessment of future profitability, the Company has taken MAT credit of Rs. 107,400,000 (Previous Year: Rs. 190,000,000) during the current year, as MAT credit can be set-off against future tax liability. Accordingly, Rs. 297,400,000 (Previous Year: Rs. 190,000,000) is carried as "Loans and Advances" as at March 31, 2011.

During the year, Deputy Commissioner of Income Tax has issued an order under Section 143 (3) of the Income Tax Act, for the Assessment Year 2008-2009, disallowing the claim of deduction by the Company under Section 80-IA (4) (i) of the Income Tax Act and issued notice of demand under Section 156 of the Income Tax Act for recovery of additional income tax and interest aggregating Rs. 240,666,597 and initiated proceedings to levy penalty. The Company has filed an appeal against the assessment order before Commissioner of Income Tax (Appeals). Pending conclusion of the appeal, the Company has agreed to deposit 30% of the demand before September 2011, of which Rs. 40,000,000 has been deposited till May 31, 2011.

During the year, Deputy Commissioner of Income Tax has issued notices under Section 148 of the Income Tax Act, proposing to re-assess the Income for Assessment Years 2004-2005 to 2007-2008, disallowing the deduction under Section 80IA (4) (i) of the Income Tax Act. The Company expects tax payable aggregating Rs. 446,034,374 (excluding interest) on the amount disallowed.

Based on Tax Consultant's opinion, the Management is of the opinion that the Company is entitled to deduction under Section 80-IA (4) (i) of the Income Tax Act for the Assessment Years 2004-2005 to 2008-2009 and hence, no provision for the aforesaid demand / notices has been made for the year ended March 31, 2011.

**6.** Certificates for tax deducted at source aggregating Rs. 8,467,633 (Previous Year: Rs. 11,135,127) are in the process of being collected from customers and banks. The Management expects to collect these certificates prior to filing of income-tax return and hence, no provision has been considered necessary by the Management.

## 7. SEGMENT REPORTING

### Primary Segment:

In accordance with Accounting Standard 17 – "Segment Reporting" notified under Section 211(3C) of the Act, the Company has determined its business segment as "Container Freight Station". Since 100% of the Company's business is from Container Freight Station, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the Financial Statement as of and for the year April 1, 2010 to March 31, 2011.

### Secondary Segment:

The Company's operations are such that all activities are confined only to India and hence, there is no secondary reportable segment relating to the Company's business.

## 8. RELATED PARTY DISCLOSURES

Related Party Disclosures, as required by Accounting Standard 18 – "Related Party Disclosures", notified under Section 211(3C) of the Act are given below:

### Subsidiary Companies:

- i. Gateway East India Private Limited (GEIPL)
- ii. Gateway Distriparks (South) Private Limited (GDSPL)
- iii. GatewayRail Freight Limited (GRFL)
- iv. Gateway Distriparks (Kerala) Limited (GDKL)
- v. Snowman Logistics Limited (SLL) (Formerly known as Snowman Frozen Foods Limited)
- vi. Container Gateway Limited (CGL) (Subsidiary of GRFL)

### Key Management Personnel:

Mr. Prem Kishan Gupta,  
Deputy Chairman and Managing Director

Rs.

Sr. No.	Particulars	Subsidiary Companies		Key Management Personnel	
		2010-2011	2009-2010	2010-2011	2009-2010
	<b>Transactions during the year:</b>				
1.	Handling Income-GDSPL	1,671,500	5,936,000	-	-
2.	Handling Charges-GDSPL	628,500	1,257,000	-	-
3.	Sale of Fixed Assets-GDSPL	43,483,951	-	-	-
4.	Handling Income-GEIPL	1,350,000	2,700,000	-	-
5.	Sale of Fixed Assets-GEIPL	29,735,041	-	-	-
6.	Commission	-	-	2,300,000	2,000,000
7.	Sitting Fees	-	-	88,036	107,275
8.	Handling and Transport Income-GRFL	9,040,585	8,996,865	-	-
9.	Interest Income-GRFL	7,372,603	-	-	-
10.	Sale of Fixed Assets and Capital Work in Progress-GRFL	752,666,490	-	-	-
11.	i. Share Application Money-GEIPL	42,083,999	3,717,635	-	-
	ii. Share Application Money-GRFL	(150,417,713)	159,471,732	-	-
	iii. Share Application Money-GDKL	167,673,392	-	-	-
12.	Investment in Equity Shares:				
	i. GRFL	60,000,000*	116,500,000*	-	-
	ii. SLL	-	114,010,500*	-	-
	<b>Closing Balances:</b>				
1.	Investment in Equity Shares:				
	i. GEIPL	148,400,000	148,400,000	-	-
	ii. GDSPL	134,280,767	134,280,767	-	-
	iii. GRFL	1,960,000,000	1,900,000,000	-	-
	iv. GDKL	300,000	300,000	-	-
	v. SLL	584,064,178	584,064,178	-	-
2.	Share Application Money:				
	i. GEIPL	47,565,721	5,481,722	-	-
	ii. GDKL	287,373,392	119,700,000	-	-
	iii. GRFL	1,150,000,000	1,300,417,713	-	-
3.	Sundry Creditors				
	i. GRFL	854,685	-	-	-

\*Acquired from shareholders

**9A. DIRECTORS' REMUNERATION:**

Rs.

Particulars	2010-2011	2009-2010
Commission to Deputy Chairman and Managing Director	2,300,000	2,000,000
Commission to non whole-time Directors	8,500,000	7,000,000
Directors' Sitting Fees	904,536	1,154,159
<b>Total</b>	<b>11,704,536</b>	<b>10,154,159</b>

**9B. COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 198 OF THE ACT:**

Rs.

Particulars	2010-2011	2009-2010
Net Profit before Tax	857,122,410	718,429,842
Add:		
Depreciation provided in the Profit and Loss Account	142,189,561	149,821,694
Directors' Remuneration	10,800,000	9,000,000
Directors' Sitting Fees	904,536	1,154,159
Provision for Doubtful Debts	1,951,148	3,061,783
Provision for Doubtful Ground Rent	-	9,311,900
Loss on Sale / Disposal of Fixed Assets	1,117,421	4,143,118
	1,014,085,076	894,922,496
Less:		
Depreciation under Section 350 of the Act	142,189,561	149,821,694
Gain on Sale / Disposal of Fixed Assets under Section 350 of the Act	1,466,666	-
Loss on Sale / Disposal of Fixed Assets under Section 350 of the Act	1,117,421	4,143,118
Gain on Redemption of Current Investment	3,362,392	4,557,458
Bad Debts written off	1,896,256	3,836,486
Write Back of Provision for Ground Rent (Net)	7,294,600	-
	157,326,896	162,358,756
Net Profit for the purpose of Directors' Commission	856,758,180	732,563,740
Managerial remuneration permissible under the Act @ 5%	42,837,909	36,628,187
Commission to non whole-time Directors @ 1%	8,567,582	7,325,637
<b>Commission payable for the year restricted to:</b>		
Managing Director	2,300,000	2,000,000
Non whole-time Directors	8,500,000	7,000,000
<b>Total</b>	<b>10,800,000</b>	<b>9,000,000</b>

**10. COMPUTATION OF EARNINGS PER SHARE (BASIC AND DILUTED):**

The number of shares used in computing Basic Earnings Per Share (EPS) is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which would be issued on exercise of options under the Employees Stock Option Plan 2005.

Particulars	2010-2011	2009-2010
I. Profit Computation for both Basic and Diluted Earnings Per Share of Rs. 10 each		
Net Profit as per the Profit and Loss Account available for Equity Shareholders (in Rupees)	848,345,957	772,089,586
II. Weighted average number of Equity Shares for Earnings per Share computation		
For Basic Earnings Per Share	107,978,202	107,756,539
Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	78,597	-
No. of Shares for Diluted Earnings Per Share	108,056,799	107,756,539
III. Earnings Per Share in Rupees (Weighted Average)		
Basic	7.86	7.17
Diluted	7.85	7.17

**11. VALUE OF IMPORTS CALCULATED ON CIF BASIS:**

Rs.

Particulars	2010-2011	2009-2010
Capital Goods	59,328,000	-

**12. EXPENDITURE IN FOREIGN CURRENCY:**

Rs.

Particulars	2010-2011	2009-2010
Professional Fees	625,050	107,152
Travelling Expenses	3,920,757	5,419,081
Director's Commission	5,200,000	4,000,000
Rates and Taxes	625,183	836,375
Interest on Buyers' Credit	1,207,619	-
Others	98,513	98,102

**13. REMITTANCES IN FOREIGN CURRENCY:**

Net Dividends remitted in Foreign Currency to non-resident Shareholders:

For the Year	Nature of Dividend	No. of Share Holders	No. of Equity Shares	2010-2011 Rs.	2009-2010 Rs.
2008-2009	Second Interim	9	27,014,500	-	40,521,750
2008-2009	Final	9	26,735,561	-	13,367,781
2009-2010	First Interim	10	27,150,561	-	40,725,842
2009-2010	Second Interim	9	17,879,061	26,818,592	-
2009-2010	Final	9	17,904,061	8,952,031	-
2010-2011	First Interim	9	17,904,061	17,904,061	-
2010-2011	Second Interim	9	17,904,061	35,808,122	-

**14. DISCLOSURE PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES:**

Rs.

Sr. No.	Particulars	Balance as at		Maximum Amount Outstanding at any time during the year	
		31.3.2011	31.3.2010	2010-2011	2009-2010
1	Loans and advances in the nature of loans to subsidiaries	-	-	-	-
2	Loans and advances in the nature of loans to associates	-	-	-	-
3	Loans and advances in the nature of loans, where there is no repayment schedule or repayment is beyond seven years or interest below rate specified as per Section 372A of the Act	-	-	-	-
4	Loans and advances in the nature of loans to firms / companies in which directors are interested	-	-	-	-
5	Investments by loanee in the shares of the Company or subsidiaries	-	-	-	-

**15. DISCLOSURE FOR AS 15 (REVISED)**

The Company has classified various benefits provided to employees as under:-

**I. Defined Contribution Plans**

- Provident Fund
- State Defined Contribution Plan
  - Employers' Contribution to Employee's Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Profit and Loss Account:

- Employers' Contribution to Provident Fund \* Rs. 4,619,848 (Previous year: Rs. 3,834,186)  
[Includes Employers' Contribution to Employee's Pension Scheme 1995]
- \* Included in contribution to Provident and other Funds (Refer Schedule "N")

## II. Defined Benefit Plan

### Gratuity

In accordance with Accounting Standard 15, actuarial valuation was done with respect to the aforesaid defined benefit plan of gratuity based on the following assumptions:-

	(% per annum)	
	2010-2011	2009-2010
Discount Rate	8.25	8.00
Rate of increase in Compensation Levels	9.00	8.00
Rate of Return on Plan Assets	8.00	8.00

	2010-2011		2009-2010	
Particulars	Funded Rs.	Non-Funded Rs.	Funded Rs.	Non-Funded Rs.
<b>Change in the Present Value of Obligation</b>				
Present Value of Obligation at the beginning of the year	7,481,668	2,180,153	6,335,297	2,199,124
Interest Cost	598,533	199,405	566,251	196,696
Current Service Cost	1,108,933	312,415	1,079,917	338,884
Past Service Cost	-	-	-	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits Paid	(145,081)	-	(217,494)	-
Actuarial (Gain) / Loss on Obligations	1,890,801	(74,529)	(282,303)	(554,551)
Present Value of Obligation at the end of the year	<b>10,934,854</b>	<b>2,617,444</b>	<b>7,481,668</b>	<b>2,180,153</b>
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as at beginning of the year	3,644,679	-	3,076,060	-
Expected Return on Plan Assets	291,574	-	252,715	-
Actuarial Gain / (Loss) on Plan Assets	29,578	-	341,776	-
Contributions	972,799	-	191,622	-
Benefits paid	(145,081)	-	(217,494)	-
Fair Value of Plan Assets as at end of the year	<b>4,793,549</b>	<b>-</b>	<b>3,644,679</b>	<b>-</b>
<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2011</b>				
The Plan Assets are administered by Tata AIG Life Insurance Company Limited as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority regulations.				

<b>Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>				
Present Value of Funded Obligation as at end of the year	10,934,854	2,617,444	7,481,668	2,180,153
Fair Value of Plan Assets as at end of the year	4,793,549	-	3,644,679	-
Funded (Asset) / Liability recognised in the Balance Sheet	(4,793,549)	-	(3,644,679)	-
Present Value of Unfunded Obligation as at end of the year	6,141,305	2,617,444	3,836,989	2,180,153
Unrecognised Past Service Cost	-	-	-	-
Unrecognised Actuarial (Gain) / Loss	-	-	-	-
<b>Unfunded Net (Asset)/ Liability Recognised in Balance Sheet**</b>	<b>6,141,305</b>	<b>2,617,444</b>	<b>3,836,989</b>	<b>2,180,153</b>
** Included under Provisions "Gratuity" (Refer Schedule "K")				
<b>Amount recognised in the Balance Sheet</b>				
Present Value of Obligation as at end of the year	10,934,854	2,617,444	7,481,668	2,180,153
Fair Value of Plan Assets as at end of the year	4,793,549	-	3,644,679	-
<b>Liability recognised in the Balance Sheet***</b>	<b>6,141,305</b>	<b>2,617,444</b>	<b>3,836,989</b>	<b>2,180,153</b>
*** Included under Provisions "Gratuity" (Refer Schedule "K")				
<b>Expenses Recognized in the Profit and Loss Account</b>				
Current Service Cost	1,108,933	312,415	1,079,917	338,884
Past Service Cost	-	-	-	-
Interest Cost	598,533	199,405	566,251	196,696
Expected Return on Plan Assets	(291,574)	-	(252,715)	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Net actuarial (Gain) / Loss recognized in the year	1,861,223	(74,529)	(624,079)	(554,551)
<b>Total Expenses recognised in the Profit and Loss Account****</b>	<b>3,277,115</b>	<b>437,291</b>	<b>769,374</b>	<b>(18,971)</b>
**** Included in Contribution to Provident and Other Funds (Refer Schedule "N")				
<b>Expected Contribution for Next Year</b>	<b>1,699,070</b>	<b>-</b>	<b>1,921,382</b>	<b>-</b>



Details of Present Value of Obligation, Plan Assets and Experience Adjustment:

	2010-2011 Rs.	2009-2010 Rs.	2008-2009 Rs.	2007-2008 Rs.
Present value of obligation				
- Funded	10,934,854	7,481,668	6,335,297	4,179,742
- Unfunded	2,617,444	2,180,153	2,199,124	1,661,975
Fair value of plan assets	4,793,549	3,644,679	3,076,060	2,503,848
(Surplus) / Deficit	8,758,749	6,017,142	5,458,361	3,337,869
Experience Adjustments:				
(Gain) / Loss on funded plan liabilities	1,101,925	(282,303)	880,054	(194,806)
Gain / (Loss) on funded plan assets	29,578	341,776	(367,739)	160,320
(Gain) / Loss on unfunded plan liabilities	(353,625)	(554,551)	118,788	(218,280)
(Gain) / Loss on funded plan liabilities due to change in actuarial assumptions	788,876	-	-	-
(Gain) / Loss on unfunded plan liabilities due to change in actuarial assumptions	279,096	-	-	-

#### Other Employee Benefit Plan:

The liability for leave encashment and compensated absences as at year end is Rs. 6,684,008 (Previous year: Rs. 5,195,760).

**16.** There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The information regarding Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

**17.** GatewayRail Freight Limited (GRFL), subsidiary of the Company had entered into an agreement with Container Corporation of India Limited to form a Joint Venture Company (JV), to operate the Company's Inland Container Depot at Garhi Harsaru. Pending formation of the JV, the Company has transferred the operations including receivables and payables under an Operations and Management arrangement to GRFL with effect from April 1, 2007.

**18.** The Company has been legally advised that necessary prior approval of the Central Government of India is not necessary under Section 297 of the Act with respect to providing "Handling Income" services to private limited companies where a Director of the Company is a Director.

#### 19. PROVISION FOR CONTINGENCIES

Particulars	Indirect Taxes (Refer note below)	Others (Refer note below)	Rs. Total
Opening Balance	11,970,820	1,537,300	13,508,120
Previous year	(4,778,778)	(33,080,760)	(37,859,538)
Add: Provision made	-	6,881,667	6,881,667
Previous year	(7,192,042)	(1,537,300)	(8,729,342)
Less: Amounts Utilised	-	-	-
Previous year	(-)	(-)	(-)
Less: Provision Reversed	-	-	-
Previous year	(-)	(33,080,760)	(33,080,760)
<b>Closing Balance</b>	<b>11,970,820</b>	<b>8,418,967</b>	<b>20,389,787</b>
Previous year	(11,970,820)	(1,537,300)	(13,508,120)

#### Note:

Represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities. The information usually required by Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 211(3C) of the Act, is not disclosed on grounds that it can be expected to prejudice the interests of the Company.

The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence, the Company is not able to reasonably ascertain the timing of the outflow.

#### 20. DISCLOSURE OF DERIVATIVES

The foreign currency outstanding that has not been hedged by any derivative instrument or otherwise as at March 31, 2011 is as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount March 31, 2011	Amount (Rupees) March 31, 2011	Foreign Currency Amount March 31, 2010	Amount (Rupees) March 31, 2010
Liabilities (Buyers' Credit)	Euro	960,000	61,255,200	-	-
Liabilities (Interest Accrued but not due on Buyers' Credit)	Euro	8,040	513,033	-	-

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Accounting Standard 11 – "The Effects of Changes in Foreign Exchange Rates (Revised 2003)".

**21.** During the year, the Global Depository Receipts ("GDR") of the Company were delisted on Luxembourg Stock Exchange and de-admitted from trading on London Stock Exchange.

**22.** The information required on other matters pursuant to clauses 3, 4C and 4D of Part II of Schedule VI to the Act, are either nil or not applicable to the Company during the year.

**23.** Previous year's figures have been rearranged to conform with current year's presentation, where applicable.

Signatures to Schedules "A" to "Q" forming part of the Accounts.

For **Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board of Directors

**Uday Shah**  
Partner  
Membership No.: F-46061

**Gopinath Pillai**  
Chairman

**Prem Kishan Gupta**  
Deputy Chairman and  
Managing Director

**R. Kumar**  
Deputy Chief Executive Officer and  
Chief Finance Officer cum Company Secretary

Place: Mumbai  
Date: June 15, 2011

Place: New Delhi  
Date: June 14, 2011

Gateway Distriparks Limited															Annexure														
Additional Information pursuant to Part IV of Schedule VI to the Act.																													
Balance Sheet Abstract and Company's General Business Profile.																													
<b>I Registration Details</b>																													
Registration No.										1 6 4 0 2 4					State Code					1 1									
Balance Sheet										3 1		0 3		2 0 1 1															
Date										Date		Month		Year															
<b>II Capital Raised During the Year (Amount in Rs. Thousands)</b>																													
Public Issue										Rights Issue																			
N I L										N I L																			
Bonus Issue										Private Placement																			
N I L										9 4 9																			
<b>III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>																													
Total Liabilities #										Total Assets																			
7 5 5 6 0 2 3										7 5 5 6 0 2 3																			
(includes Shareholders' Funds)																													
<b>Sources of Funds</b>																													
Paid-up Capital										Reserves and Surplus																			
1 0 7 9 9 9 8										5 7 0 9 6 5 0																			
Secured Loans										Unsecured Loans																			
9 2 7 1 0										N I L																			
Deferred Tax Liability																													
1 1 0 3 9 3																													
<b>Application of Funds</b>																													
Net Fixed Assets										Investments																			
1 8 0 5 0 5 6										2 9 5 7 0 4 5																			
(Please tick appropriate box + for Positive, - for Negative)																													
+ -										Net Current Assets										Miscellaneous Expenditure									
✓										2 2 3 0 6 5 0										N I L									
<b>IV Performance of Company (Amount in Rs. Thousands)</b>																													
Turnover (including Other Income)										Total Expenditure																			
1 9 1 5 0 2 5										1 0 5 7 9 0 3																			
(Please tick appropriate box + for Profit, - for Loss)																													
+ -										Profit / Loss Before Tax										+ -									
✓										8 5 7 1 2 2										✓									
(Please tick appropriate box + for Positive, - for Negative)																													
+ -										Basic Earnings Per Share (in Rs.)										Dividend Rate %									
✓										7 . 8 6										6 0									

<b>V Generic Names of Principal Products / Services of Company (as per monetary terms)</b>	
Item Code No. (ITC Code)	Not Applicable
Product Description	Not Applicable, since the Company is engaged in service activities relating to Container Freight Station.
<b>For and on behalf of the Board of Directors</b>	
<b>Gopinath Pillai</b>	<b>Prem Kishan Gupta</b>
Chairman	Deputy Chairman and Managing Director
	<b>R. Kumar</b>
	Deputy Chief Executive Officer and Chief Finance Officer cum Company Secretary
Place: New Delhi	
Date: June 14, 2011	

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GATEWAY DISTRI PARKS LIMITED

### The Board of Directors of GATEWAY DISTRI PARKS LIMITED

1. We have audited the attached Consolidated Balance Sheet of Gateway Distriparks Limited (the "Company") and its subsidiaries, (hereinafter referred to as the "Group") (refer Notes 1 (ii) and 2 on Schedule T to the attached Consolidated Financial Statements) as at March 31, 2011, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report (together comprising the "Consolidated Financial Statements"). These Consolidated Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall Consolidated Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the Financial Statements of two subsidiaries included in the Consolidated Financial Statements, which constitute total assets of Rs. 359,205,592 and net assets of Rs. 358,546,654 as at March 31, 2011, total revenue of Rs. Nil, net loss after tax of Rs. 482,810 and net cash outflows amounting to Rs. 1,715,345 for the year then ended. These Financial Statements and other financial information has been audited by other auditors whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements to the extent they have been derived from such Financial Statements is based solely on the report of such other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section (3C) of Section 211 of the Companies Act, 1956, of India.

5. Based on our audit and on consideration of reports of other auditors on separate Financial Statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
- (b) In the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Uday Shah**  
Partner  
Membership Number F-46061

Place: Mumbai  
Date: June 15, 2011

## Consolidated Balance Sheet as at March 31, 2011

	Schedule Reference	31.03.2011 Rs.	31.03.2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	A	1,079,998,320	1,079,049,010
Reserves and Surplus	B	5,799,394,725	5,562,800,571
		6,879,393,045	6,641,849,581
<b>Loan Funds</b>			
Secured Loans	C	1,153,789,013	2,099,285,367
<b>Minority Interest</b>	D	609,777,561	624,989,749
120,000,000 (Previous Year: Nil) Compulsory Convertible		2,958,000,000	-
Preference Shares of Rs. 24.65 each fully paid-up in Subsidiary			
Company Gateway Rail Freight Limited (Refer Note 20 on Schedule T)			
(Minority Interest)			
<b>Deferred Tax Liabilities (Net)</b>	E	139,815,090	187,416,796
<b>TOTAL</b>		<b>11,740,774,709</b>	<b>9,553,541,493</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	F		
Gross Block		11,539,500,907	10,036,260,443
Less: Depreciation		2,210,220,421	1,850,702,306
Net Block		9,329,280,486	8,185,558,137
Capital Work-in-Progress		496,128,442	516,885,618
		9,825,408,928	8,702,443,755
<b>Pre-operative expenses pending capitalisation / allocation</b>	G	6,513,305	124,187
<b>Investments</b>	H	130,000,000	150,000,000
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	I	624,045,197	681,735,791
Cash and Bank Balances	J	1,505,858,886	794,660,532
Other Current Assets	K	45,469,523	23,427,701
Loans and Advances	L	705,843,466	503,102,477
		2,881,217,072	2,002,926,501
<b>Less: Current Liabilities and Provisions</b>	M		
Liabilities		672,452,832	1,019,496,635
Provisions		432,556,939	287,276,133
		1,105,009,771	1,306,772,768
<b>Net Current Assets</b>		1,776,207,301	696,153,733
<b>Miscellaneous Expenditure</b>	N	2,645,175	4,819,818
<b>TOTAL</b>		<b>11,740,774,709</b>	<b>9,553,541,493</b>
<b>Notes to the Accounts</b>	T		

## Consolidated Balance Sheet as at March 31, 2011

The Schedules referred to herein above form an integral part of the Accounts.		
This is the Consolidated Balance Sheet referred to in our report of even date.		
For <b>Price Waterhouse</b>	For and on behalf of the Board of Directors	
Firm Registration No. 301112E		
Chartered Accountants		
	<b>Gopinath Pillai</b>	<b>Prem Kishan Gupta</b>
	Chairman	Deputy Chairman and
<b>Uday Shah</b>		Managing Director
Partner		
Membership No. F-46061		
	<b>R. Kumar</b>	
	Deputy Chief Executive Officer and Chief Finance	
	Officer cum Company Secretary	
Place: Mumbai	Place: New Delhi	
Date: June 15, 2011	Date: June 14, 2011	



## Consolidated Profit and Loss Account for the year ended March 31, 2011

	Schedule Reference	2010-2011 Rs.	2009-2010 Rs.
<b>INCOME</b>			
Income from Operations	<b>O</b>	5,990,794,726	5,166,090,564
Other Income	<b>P</b>	128,815,377	124,572,476
		<b>6,119,610,103</b>	<b>5,290,663,040</b>
<b>EXPENDITURE</b>			
Employee Costs	<b>Q</b>	292,691,331	227,326,328
Operating Expenses	<b>R</b>	4,101,260,178	3,689,403,749
Depreciation/ Amortisation		502,436,947	454,864,887
Interest	<b>S</b>	182,003,584	195,301,194
		<b>5,078,392,040</b>	<b>4,566,896,158</b>
<b>Profit before Taxation</b>		<b>1,041,218,063</b>	<b>723,766,882</b>
Provision for Taxation			
Income Tax (Refer Note 5 - Schedule "T")			
-Current Year		216,235,000	146,808,000
-Earlier Years		9,412,272	(468,433)
-Minimum Alternate Tax Credit Entitlement Current year		(138,260,000)	(228,334,734)
-Minimum Alternate Tax Credit Entitlement Earlier years		4,291,661	-
Fringe Benefit Tax [including for earlier years Rs. 11,122 (Previous Year Rs. 141,149)]		(11,122)	141,149
Deferred Tax [Refer Notes 1(x) - Schedule "T" and Schedule "E"]		(47,601,706)	2,529,744
<b>Profit after Taxation</b>		<b>997,151,958</b>	<b>803,091,156</b>
Minority Interest		(29,630,838)	(11,649,424)
<b>Net Profit</b>		<b>967,521,120</b>	<b>791,441,732</b>
Profit and Loss Account Balance Brought Forward		1,749,689,460	1,457,667,454
Acquired on increase of interest in subsidiary company		-	19,340,452
		<b>2,717,210,580</b>	<b>2,268,449,638</b>
Transfer to General Reserve		84,840,000	77,210,000
Interim Dividend paid		323,957,497	161,599,641
Proposed Interim Dividend		215,999,664	161,857,351
Proposed Final Dividend		107,999,832	53,952,451
Dividend paid for earlier year		148,274	-
Tax on Dividend		107,642,759	64,140,735
<b>Profit and Loss Account Balance Carried to Balance Sheet</b>		<b>1,876,622,554</b>	<b>1,749,689,460</b>
Earnings Per Share (Refer Note 10 - Schedule "T")			
- Basic		8.96	7.34
- Diluted		8.95	7.34
<b>Notes to the Accounts</b>	<b>T</b>		
The Schedules referred to herein above form an integral part of the Accounts.			
This is the Consolidated Profit and Loss Account referred to in our report of even date.			
For <b>Price Waterhouse</b>	For and on behalf of the Board of Directors		
Firm Registration No. 301112E			
Chartered Accountants			
	<b>Gopinath Pillai</b>	<b>Prem Kishan Gupta</b>	
	Chairman	Deputy Chairman and Managing Director	
<b>Uday Shah</b>			
Partner			
Membership No. F-46061			
	<b>R. Kumar</b>		
	Deputy Chief Executive Officer and Chief Finance Officer cum Company Secretary		
Place: Mumbai	Place: New Delhi		
Date: June 15, 2011	Date: June 14, 2011		

## Consolidated Cash Flow Statement for the year ended March 31, 2011

		2010-2011 Rs.	2009-2010 Rs.
<b>Cash flow from operating activities:</b>			
Profit before Taxation		1,041,218,063	723,766,882
<b>Adjustment for :</b>			
Depreciation		502,436,947	454,864,887
Provision for Doubtful Debts		48,841,731	79,829,316
Provision for Doubtful Advances		308,317	12,146,962
Provision for ESOP Expenses		3,888,490	244,427
Unrealised Foreign Exchange Fluctuation Loss		1,927,200	-
Advances Written-off		1,350,000	-
Interest Expense		182,003,584	195,301,194
Interest Income		(70,825,206)	(31,883,568)
Gain on redemption of current investments (Net)		(3,377,637)	(4,557,458)
Loss on Sale / Discard of Fixed Assets		13,534,014	4,409,232
Provision for Employee Benefits		13,064,053	2,173,868
Assets written off		-	176,752
Investment written off		-	22,000
(Write back) / Provision for Doubtful Ground Rent		(2,902,950)	8,761,370
Bad Debts written off		1,173,614	1,173,167
Amortisation of Miscellaneous Expenditure and Preliminary Expenses		2,227,599	2,227,600
Provision / (write back) for Contingencies		6,881,667	(25,622,632)
Liabilities / Provisions/ Auction Surplus no Longer Required Written Back		(11,943,767)	(26,794,444)
<b>Operating profit before working capital changes</b>		<b>1,729,805,719</b>	<b>1,396,239,555</b>
<b>Adjustments for change in working capital:</b>			
- Decrease / (Increase) in Sundry Debtors		7,675,249	(233,595,472)
- Decrease / (Increase) in Loans and Advances		(79,246,676)	(31,341,079)
- Increase / (Decrease) in Trade and Other Payables		(337,268,768)	661,068,888
<b>Cash generated from operations</b>		<b>1,320,965,524</b>	<b>1,792,371,892</b>
- Taxes Paid		229,721,033	164,330,330
<b>Net cash from operating activities</b>	<b>(A)</b>	<b>1,091,244,491</b>	<b>1,628,041,562</b>
<b>Cash flow from investing activities:</b>			
Purchase of Fixed Assets		(1,634,191,318)	(1,017,823,382)
Purchase of Investments		(207,000,000)	(700,000,000)
(Increase) / Decrease in pre-operative Expenses pending capitalisation		(6,389,118)	103,465
Increase in Minority Interest		(44,843,311)	(16,054,191)
Assets Acquired / Goodwill on acquisition of subsidiaries		(14,303,992)	21,993,988
Sale of Investments		230,377,637	784,557,458
Sale of Fixed Assets		9,559,176	9,140,792
Interest Received		64,596,927	34,714,373
<b>Net cash from / used in investing activities</b>	<b>(B)</b>	<b>(1,602,193,999)</b>	<b>(883,367,497)</b>
<b>Cash flow from financing activities:</b>			
Proceeds of fresh issue of shares (Net of share issue expenses)		21,881,880	35,539,411
Share Issue Expenses		(52,672)	-
Proceeds from issue of Preference Share Capital in Subsidiary Company		2,958,000,000	-
Borrowings of Secured Loans		166,200,000	400,000,000
Repayment of Secured Loans		(1,112,884,184)	(338,875,021)
Interest Paid		(182,033,459)	(200,303,491)
Payment of Dividend		(538,456,336)	(375,345,712)
Payment of Dividend Tax		(90,507,367)	(64,075,623)
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>1,222,147,862</b>	<b>(543,060,436)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>711,198,354</b>	<b>201,613,629</b>
Cash and Cash Equivalents at the beginning of the year		<b>794,660,532</b>	<b>593,046,903</b>
Cash and Cash Equivalents at the end of the year		<b>1,505,858,886</b>	<b>794,660,532</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>711,198,354</b>	<b>201,613,629</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2011

	31.03.2011		31.03.2010
	Rs.	Rs.	Rs.
<b>Cash and Cash Equivalents comprise:</b>			
Cash on Hand		1,592,153	1,006,460
Cheques on Hand		12,313,220	10,065,998
Balances with Scheduled Banks on:			
- in Current Accounts	274,476,066		166,503,892
- in Unclaimed Dividend Accounts	6,209,547		4,750,310
- in Unclaimed Share Application Accounts	753,840		753,840
- in Unclaimed Fractional Bonus Shares Account	88,870		89,134
- in Fixed Deposit Account	1,210,425,190		611,490,898
		1,491,953,513	783,588,074
Cash and Cash equivalents as at year-end		<b>1,505,858,886</b>	<b>794,660,532</b>
<b>Notes:</b>			
1. The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on "Cash Flow Statements" notified under sub-section (3C) of Section 211 of the Companies Act, 1956, of India.			
2. Fixed Deposits with banks include Rs. 147,784,208 (Previous year: Rs. 91,750,000) under lien with the banks towards guarantee issued by them and loans given to subsidiaries.			
3. Previous year's figures have been regrouped / rearranged wherever necessary.			
This is the Consolidated Cash Flow Statement referred to in our report of even date.			
For <b>Price Waterhouse</b>	For and on behalf of the Board of Directors		
Firm Registration No. 301112E			
Chartered Accountants			
	<b>Gopinath Pillai</b>	<b>Prem Kishan Gupta</b>	
	Chairman	Deputy Chairman and	
		Managing Director	
<b>Uday Shah</b>			
Partner			
Membership No. F-46061			
	<b>R. Kumar</b>		
	Deputy Chief Executive Officer and		
	Chief Finance Officer		
	cum Company Secretary		
Place: Mumbai	Place: New Delhi		
Date : June 15, 2011	Date : June 14, 2011		

## Schedules annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011

	31.03.2011	31.03.2010
	Rs.	Rs.
<b>"A" Share Capital</b>		
Authorised:		
125,000,000 (Previous year: 125,000,000) Equity Shares of Rs. 10 each	1,250,000,000	1,250,000,000
Issued and Subscribed:		
107,999,832 (Previous year: 107,904,901) Equity Shares of Rs. 10 each, fully paid-up	1,079,998,320	1,079,049,010
	<b>1,079,998,320</b>	<b>1,079,049,010</b>
<b>Notes:</b>		
1. Of the above, 39,091,775 Equity Shares of Rs. 10 each were allotted as fully paid bonus shares by capitalisation of Securities Premium and surplus in Profit and Loss Account.		
2. During the year, pursuant to Employee Stock Option Plan 2005, the Company has allotted 70,902 Equity Shares on April 29 2010, 5,274 Equity Shares on July 20, 2010 and 1,000 Equity Shares on March 16, 2011 at a premium of Rs. 82.92 per Equity Share.		
3. During the year, pursuant to Employee Stock Option Plan 2005, the Company has allotted 970 Equity Shares on April 29, 2010, 3,785 Equity Shares on July 20, 2010 and 5,100 Equity Shares on March 16, 2011 at a premium of Rs. 99.25 per Equity Share.		
4. During the year, pursuant to Employee Stock Option Plan 2005, the Company has allotted 7,900 Equity Shares on March 16, 2011 at a premium of Rs. 89.92 per Equity Share.		
5. For Employee Stock Option Plan 2005 - Refer Notes 1(xi) and 4 - Schedule "T".		
<b>"B" Reserves and Surplus</b>		
<b>Securities Premium Account</b>		
Opening Balance	3,353,989,690	3,315,780,192
Add: Received during the year (Refer Notes 2, 3 and 4 - Schedule "A")	48,941,461	38,973,959
Add: Transferred from Employees Stock Options Outstanding on exercise of ESOP	2,259,280	4,585,717
	3,405,190,431	3,359,339,868
Less: Utilised for share issue expenses	28,008,891	5,350,178
	<b>3,377,181,540</b>	<b>3,353,989,690</b>
<b>Capital Reserve on consolidation</b>	4,737	4,737
<b>Capital Redemption Reserve</b>		
Opening Balance	78,834,120	78,834,120
	<b>78,834,120</b>	<b>78,834,120</b>
<b>General Reserve</b>		
Opening Balance	371,875,880	294,665,880
Add: Transfer from Profit and Loss Account	84,840,000	77,210,000
	<b>456,715,880</b>	<b>371,875,880</b>
<b>Profit and Loss Account Balance</b>	1,876,622,554	1,749,689,460
<b>Employees Stock Options Plan ("ESOP") Outstanding</b>		
[Refer Notes 1(xi) and 4 - Schedule "T"]		
Opening Balance	8,406,684	12,747,974
Addition during the year	3,888,490	244,427
	12,295,174	12,992,401
Less: Transferred to Securities Premium Account on exercise of ESOP	(2,259,280)	(4,585,717)
	10,035,894	8,406,684
	<b>5,799,394,725</b>	<b>5,562,800,571</b>

### Schedules annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011

	31.03.2011 Rs.	31.03.2010 Rs.
<b>"C" Secured Loans</b>		
Term Loans		
- From Bank [Refer Notes 1(a), 1(b) and 1(c) below]	10,000,000	915,103,212
- From GE Capital Services India Private Limited [Refer Note 2 below]	1,009,438,371	1,090,000,000
Hire Purchase / Vehicle Finance Loan from HDFC Bank Limited (Refer Note 3 below)	104,377,284	22,359,116
Vehicle Finance Loan from Others (Refer Note 4 below)	29,973,358	71,823,039
<b>Notes:</b>		
1. (a) Term Loan from HDFC Bank Limited of Rs. Nil (Previous year: Rs. 756,250,000) was secured by pari passu charge on all immovable properties of the subsidiary Company situated in village Piyala and Deeg, Tehsil Ballabgarh and village Asawati, Tehsil Palwal, District Faridabad both present and future, book debts and Corporate Guarantee of Gateway Distriparks Limited, the Holding Company. The Subsidiary Company is in process of obtaining satisfaction of the aforesaid charge on Term Loan.		
[Repayable within one year Rs. Nil (Previous year: Rs. 250,000,000)]		
1. (b) Term Loan from HDFC Bank Limited of Rs. 10,000,000 (Previous Year: Rs. Nil) is to be secured by first pari passu charge on all the assets (fixed and current, present and future) of the Company, Debit Authority Letter with undertaking to fund losses or provide funds to the Company in case of inadequate cash flows and Corporate Guarantee of Gateway Distriparks Limited, the Holding Company. The Subsidiary Company is in process of creation of the aforesaid charge. The Term Loan is repayable within 8 years with 2 years moratorium for the first disbursement.		
[Repayable within one year Rs. Nil (Previous year: Rs. Nil)]		
1(c). Term Loan of Rs. Nil (Previous year: 158,853,212) from HDFC Bank Limited was secured by way of hypothecation by way of first charge on all movable plant and machinery and book debts, both present and future, and exclusive charge on immovable properties of the Company situated at Dronagiri together with all buildings, structures, installations, fixed plant and machinery, fixtures and fittings, constructed, installed or erected thereon. The aforesaid charge has been satisfied from the bank during current year.		
[Term Loan repayable within one year Rs. Nil (Previous year: Rs. 45,870,907)]		
2. Term Loan from GE Capital Services India Private Limited of Rs. 1,009,438,371 (Previous Year Rs. 1,090,000,000) is secured by first pari passu charge on all movable and immovable properties, book debts, operating cash flows, intangible assets, assignment of all permits, licences, approvals, insurance policies, pledge of equity shares of Gateway Rail Freight Limited held by Gateway Distriparks Limited and Corporate Guarantee of Gateway Distriparks Limited, the Holding Company, [Loan amount includes Interest Accrued and Due Rs. 1,188,371 (Previous Year: Rs. Nil)]		
[Repayable within one year Rs. 110,188,371 (Previous year: Rs. 54,500,000)]		

### Schedules annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011

3. Vehicle Finance Loan from HDFC Bank Limited of Rs. 104,377,284 (Previous Year: Rs. 22,359,116) is secured by way of hypothecation of the companies commercial vehicles (trailors) purchased against the same and Corporate Guarantee of Gateway Distriparks Limited, the Holding Company.		
[Repayable within one year Rs. 46,223,669 (Previous year: Rs. 10,692,259)]		
4. Vehicle Finance Loan from Reliance Capital Limited of Rs. 29,973,358 (Previous Year: Rs. 71,823,039) is secured by way of hypothecation of trailors purchased against the same and Corporate Guarantee of Gateway Distriparks Limited, the Holding Company.		
[Repayable within one year Rs. 29,973,358 (Previous year: Rs. 41,849,681)]		
	<b>1,153,789,013</b>	<b>2,099,285,367</b>
<b>"D" Minority Interest</b>		
Share Capital	547,646,340	607,153,810
Share Application Money	72,861,700	72,861,700
Reserves and Surplus:		
Subsidy from National Horticulture Board	867,673	867,673
Securities Premium	42,838,394	42,477,941
Profit and Loss Account	(54,436,546)	(98,371,375)
	<b>609,777,561</b>	<b>624,989,749</b>
<b>"E" Deferred Tax Liabilities (Net)</b>		
[Refer Note 1(x) - Schedule "I"]		
<b>Deferred Tax Liabilities</b>		
Timing difference between book and tax depreciation	612,841,377	527,449,415
Utility upgradation expenses	-	138,249
	<b>612,841,377</b>	<b>527,587,664</b>
<b>Deferred Tax Assets</b>		
Accrual for expenses allowable as tax deduction only on payment	18,593,363	3,279,454
Provision for Doubtful Debts/ Ground Rent / Loans and Advances	53,967,647	40,137,595
Unabsorbed Business Loss	202,329	98,149
Unabsorbed Depreciation	400,262,948	296,655,670
	<b>473,026,287</b>	<b>340,170,868</b>
	<b>139,815,090</b>	<b>187,416,796</b>
	(A) - (B)	

Schedules annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011

“F” Fixed Assets [Refer Notes 1(iii) and 1(vi) - Schedule “F”]

Particulars	Cost			Depreciation/ Amortisation				Net Book Value	
	As at 01.04.2010	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31.03.2011	Up to 01.04.2010	Depreciation For the year	Deductions/ Adjustments For the year	Up to 31.03.2011	As at 31.03.2011 As at 31.03.2010
<b>Intangible Assets</b>									
Goodwill on Consolidation	402,872,741	14,303,992	-	417,176,733	107,129,827	-	-	107,129,827	310,046,906 295,742,914
Punjab Conware Container Freight Station - Upfront Fees	350,000,000	-	-	350,000,000	66,000,000	24,000,000	-	90,000,000	260,000,000 284,000,000
Rail Licence Fees (Refer Note 1 below)	500,000,000	-	-	500,000,000	70,833,333	25,000,000	-	95,833,333	404,166,667 429,166,667
Technical Know-how (Refer Note 11 below)	100,000,000	-	-	100,000,000	60,662,101	20,517,204	-	81,179,305	18,820,695 39,337,899
<b>Tangible Assets</b>									
Freehold Land	1,755,726,884	270,309,266	1,710,481	2,024,325,669	-	-	-	-	2,024,325,669 1,755,726,884
Leasehold Land (Refer Notes 5, 6 and 7 below)	275,102,405	8,714,417	-	283,816,822	54,191,136	4,846,459	-	59,037,595	224,779,227 220,911,269
Buildings (Refer Note 10 below)	2,107,199,257	427,363,393	28,956,169	2,505,606,481	456,282,955	90,216,128	28,956,169	517,542,914	1,988,063,567 1,650,916,302
Electrical Installations	86,819,177	11,979,580	-	98,798,757	21,029,695	5,704,862	-	26,734,557	72,064,200 65,789,482
Rail Siding (Refer Note 2 below)	175,725,462	64,991,886	22,940,359	217,776,989	28,640,339	11,378,183	22,940,359	17,078,163	200,698,826 147,085,123
Plant and Machineries	456,193,876	119,197,955	373,656	575,068,175	229,474,118	29,754,673	184,375	259,044,416	316,023,759 226,719,758
Container and Reefer Power Packs (Refer Note 9 below)	185,261,057	80,334,888	9,372,249	256,223,696	19,686,375	12,654,816	1,468,960	30,872,231	225,351,465 165,574,682
Yard Equipments (Refer Note 3 below)	559,339,107	110,095,023	88,447,239	580,986,891	146,645,353	36,722,068	80,116,673	103,250,748	477,736,143 412,693,754
Rakes	2,335,382,186	351,775,662	-	2,587,155,848	182,156,793	112,198,054	-	294,354,847	2,292,801,001 2,053,225,393
Office Equipments	25,698,929	9,026,487	470,490	34,254,926	6,728,524	1,872,922	229,746	8,371,700	25,883,226 18,970,405
Computers	59,441,426	22,555,914	372,711	81,624,629	36,974,753	8,062,508	339,990	44,697,271	36,927,358 22,466,673
Furniture and Fixtures	61,074,631	18,045,673	6,256,459	72,863,845	22,549,190	7,357,876	6,116,791	23,790,275	49,073,570 38,525,441
Vehicles (Refer Notes 4 and 8 below)	700,423,305	160,560,350	7,162,209	853,821,446	341,717,814	112,151,194	2,565,769	451,303,239	402,518,207 358,705,491
<b>TOTAL</b>	<b>10,036,260,443</b>	<b>1,669,252,486</b>	<b>166,012,022</b>	<b>11,539,500,907</b>	<b>1,850,702,306</b>	<b>502,436,947</b>	<b>142,918,832</b>	<b>2,210,220,421</b>	<b>9,329,280,486</b> <b>8,185,558,137</b>
Previous Year	9,333,166,500	730,798,072	27,704,129	10,036,260,443	1,407,042,776	454,864,887	11,205,357	1,850,702,306	496,128,442 516,885,618
Capital Work-in-Progress [including advances of Rs. 120,686,054 (Previous year: Rs. 77,954,373)]									<b>9,825,408,928</b> <b>8,702,443,755</b>

Schedules annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011

<b>Notes:</b>	
1. Rail License Fees aggregating Rs. 500,000,000 paid to Railway Administration towards Concession Agreement is amortised over the period of contract (i.e. 20 years) from date of commencement of commercial operations (June 1, 2007). Balance useful life of Rail License Fees as at March 31, 2011 is 16 years and 2 months.	
2. Railway Siding includes Rs. 67,116,086 (Previous year: Rs. 85,705,669) being cost of railway siding constructed on land not owned by the Company.	
3. Yard Equipments include Reach Stackers Costing Rs. 476,031,428 (Previous year: Rs. 466,516,707) and having Net Book Value Rs. 396,524,820 (Previous year: Rs. 340,447,438).	
4. Vehicles include Trailors Costing Rs. 831,335,289 (Previous year: Rs. 674,316,324) and having Net Book Value Rs. 586,270,247 (Previous year: Rs. 359,478,618) of which, Trailors costing Rs. 336,910,536 (Previous Year: Rs. 216,447,845) and having Net Book Value Rs. 219,311,131 (Previous Year: Rs. 142,637,871) have been hypothecated to Reliance Capital Limited and HDFC bank against Vehicle Finance Loans.	
5. Land situated at Asauli aggregating Rs. 2,423,991 (Previous year: Rs. 2,423,991) is yet to be transferred in the name of the subsidiary company.	
6. Land includes land with book value Rs. 676,407 (Previous Year: Rs. 4,681,750) pending registration with concerned authorities.	
7. Represents payments made for acquiring land on lease at various locations for periods ranging from 20-99 years.	
8. Vehicles include Trucks used for cold chain transportation purposes, with gross book value of Rs. 84,043,220 (Previous Year: Rs. 49,486,446) and net book value of Rs. 35,168,788 (Previous Year: Rs. 4,606,463).	
9. Based on the technical evaluation done by the Management, the useful life of such trucks is not lower than as prescribed by Schedule XIV to the Companies Act, 1956, of India.	
10. Adjustment in cost of Containers and Reefer Power Packs include Exchange Gain of Rs. 512,503 (Previous Year: Exchange Loss: Rs. 2,948,748).	
11. Includes Building with Gross Block value of Rs. 42,363,653 (Previous year: Rs. Nil) on lease hold land.	
11. Balance useful life of Technical Know-how as at March 31, 2011 is 12 months to 24 months.	



## Schedules annexed to and forming part of the Consolidated Balance Sheet as at March 31,2011

	31.03.2011	31.03.2010
	Rs.	Rs.
<b>"G" Pre-operative expenses pending capitalisation / allocation</b>		
[Refer Note 1(iv) - Schedule "T"]		
Opening Balance	124,187	227,652
Salaries, Allowances and Bonus	334,740	-
Rates and Taxes	17,838	13,423
Lease Rent	5,078,474	-
Repairs and Maintenance:		
- Building / Yard	228,520	-
- Others	2,250	-
Printing and Stationery	5,451	-
Travelling and Conveyance	457,997	146,597
Office Expenses	1,998	-
Communication	13,845	-
Professional Fees	374,205	48,201
Bank Charges	2,100	-
Miscellaneous	-	2,310
	6,641,605	438,183
Less: Interest on Fixed Deposits (Tax deducted at Source Rs. 12,670, Previous Year Rs. 39,774)	(128,300)	(313,996)
	<b>6,513,305</b>	<b>124,187</b>
<b>"H" Investments</b>		
[Refer Note 1(v) - Schedule "T"]		
<b>Current Investment (at lower of Cost and Net Asset Value and unquoted)</b>		
6,604,852 (Previous year: 8,116,664) units of HDFC Liquid Fund - Premium Plus Plan - Growth	130,000,000	150,000,000
[Net Assets Value Rs. 130,071,332 (Previous year: Rs. 150,103,893)]		
	<b>130,000,000</b>	<b>150,000,000</b>
<b>Note:</b>		
	<b>Units</b>	<b>Cost (Rs.)</b>
The following investments were purchased and sold during the year 2010-2011:		
- HDFC Liquid Fund - Premium Plus Plan - Growth	34,984,550	67,000,000
- Reliance Liquid Fund-Cash Plan-Growth Option-Growth Plan	643,256	10,000,000
<b>"I" Sundry Debtors</b>		
[Unsecured]		
[Refer Note 1(xii) - Schedule "T"]		
Debts Outstanding for a Period exceeding Six Months		
- Considered Good	18,617,253	58,210,316
- Considered Doubtful	162,717,661	135,681,714
	181,334,914	193,892,030
Other Debts - Considered Good	605,427,944	623,525,475
- Considered Doubtful	10,395,086	7,466,312
	797,157,944	824,883,817
Less: Provision for Doubtful Debts	173,112,747	143,148,026
	<b>624,045,197</b>	<b>681,735,791</b>
<b>"J" Cash and Bank Balances</b>		
Cash on Hand	1,592,153	1,006,460
Cheques on Hand	12,313,220	10,065,998
Balances with Scheduled Banks:		
- in Current Accounts	274,476,066	166,503,892
- in Unclaimed Dividend Accounts	6,209,547	4,750,310
- in Unclaimed Share Application Accounts	753,840	753,840
- in Unclaimed Fractional Bonus Shares Account	88,870	89,134
- in Fixed Deposit Accounts	1,210,425,190	611,490,898
[Under lien with banks Rs. 147,784,208 (Previous year: Rs. 91,750,000) towards guarantee issued by them and loans given to subsidiaries]		
	<b>1,505,858,886</b>	<b>794,660,532</b>

## Schedules annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011

<b>"K" Other Current Assets</b>		
(Unsecured)		
Accrued Interest on Fixed Deposits with Banks	7,906,040	1,677,761
Accrued Ground Rent		
- Considered Good	29,835,038	13,145,230
- Considered Doubtful	27,813,550	30,716,500
	57,648,588	43,861,730
Less: Provision for Doubtful Ground Rent	27,813,550	30,716,500
	29,835,038	13,145,230
Claims Receivable (Refer Note 2(b) - Schedule "T")	7,728,445	8,604,710
	<b>45,469,523</b>	<b>23,427,701</b>
<b>"L" Loans and Advances</b>		
(Unsecured and Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received		
- Considered Good	138,333,436	118,339,003
- Considered Doubtful	13,775,279	13,466,962
	152,108,715	131,805,965
Less: Provision for Doubtful Advances	13,775,279	13,466,962
	138,333,436	118,339,003
Loan to Max Logistics Private Limited	5,000,000	5,000,000
Balances with Government Authorities	4,314,215	8,546,339
Security Deposits - Others	99,536,178	50,620,720
(Refer Note 15 - Schedule "T")		
Tax Deducted at Source and Advance Tax	96,356,564	92,261,681
[Net of Provision for Tax Rs. 384,456,740 (Previous year Rs. 371,552,903)]		
[Refer Note 5 - Schedule "T"]		
Minimum Alternate Tax Credit Entitlement [Refer Note 5 - Schedule "T"]	362,303,073	228,334,734
	<b>705,843,466</b>	<b>503,102,477</b>

## Schedules annexed to and forming part of the Consolidated Balance Sheet as at March 31,2011

Current Liabilities		
Sundry Creditors (Refer Note 16 - Schedule "T")		
- Due to Micro Enterprises and Small Enterprises	-	-
- Due to Others	403,150,894	887,789,959
Buyers' Credit	173,859,718	25,312,848
Temporary Overdraft	-	5,982,961
Security Deposits Received	23,159,031	11,825,336
Income Received in Advance	16,706	140,206
Advances from Customers	24,576,908	26,634,825
Auction Surplus [Refer Note 1(ix)(c) - Schedule "T"]	1,562,630	6,293,783
Interest Accrued but not Due on Term Loans and Vehicle Finance Loan	2,255,719	3,473,424
Unclaimed Dividend *	6,209,547	4,750,310
Unclaimed Share Application Accounts *	753,840	753,840
Unclaimed Fractional Bonus Shares *	88,870	89,134
Other Liabilities	36,818,969	46,450,009
	<b>672,452,832</b>	<b>1,019,496,635</b>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
Provisions		
Wealth Tax	82,000	72,000
Proposed Interim Dividend	215,999,664	161,857,351
Proposed Final Dividend	107,999,832	53,952,451
Tax on Dividend	53,812,268	36,676,876
Employee Benefits [Refer Notes 1(viii) and 14 - Schedule "T"]		
- Leave Encashment	16,564,768	9,972,975
- Gratuity	17,708,620	11,236,360
Provision for Contingencies (Refer Notes 1(xiv) and 13 - Schedule "T")	20,389,787	13,508,120
	<b>432,556,939</b>	<b>287,276,133</b>
<b>TOTAL</b>	<b>1,105,009,771</b>	<b>1,306,772,768</b>
"N" Miscellaneous Expenditure		
[Refer Note 1(xiii) - Schedule "T"]		
(to the extent not written off or adjusted)		
Preliminary and other related expenses	11,161,381	11,108,709
Less: Amortised till date	8,516,206	6,288,891
	2,645,175	4,819,818
	<b>2,645,175</b>	<b>4,819,818</b>

## Schedules annexed to and forming part of the Consolidated Profit and Loss Account for the Year ended March 31, 2011

	2010-2011 Rs.	2009-2010 Rs.
"O" Income from Operations		
[Refer Note 1(ix) - Schedule "T"]		
Ground Rent - gross (Tax Deducted at Source Rs. 9,347,495; Previous year: Rs. 13,245,761)	711,146,983	511,584,073
Container Storage, Handling and Repair - Gross	1,924,336,188	1,570,625,153
(Tax Deducted at Source Rs. 22,723,481; Previous year: Rs. 29,020,800)		
Rail Transport	2,463,325,512	2,308,610,003
(Tax Deducted at Source Rs. 22,893,413; Previous year: Rs. 20,227,122)		
Road Transport	509,018,984	461,105,388
(Tax Deducted at Source Rs. 222,619; Previous year: Rs. 1,872,612)		
Income from Freezer Division	258,575,291	185,805,080
Service Charges	86,013,605	81,922,951
Income from Consignment Commission	12,929,881	23,708,998
Auction Sales	25,448,282	22,728,918
	<b>5,990,794,726</b>	<b>5,166,090,564</b>
"P" Other Income		
Rent - Gross (Tax Deducted at Source Rs. 849,791; Previous year: Rs. 987,236)	11,897,874	15,346,350
Buffer Handling Fees - Gross	21,867,974	14,272,092
(Tax Deducted at Source Rs. 355,446; (Previous year: Rs. 314,843))		
Interest on Fixed Deposits with Banks - Gross	66,697,172	30,359,452
(Tax Deducted at Source Rs. 7,450,650; Previous year: Rs. 2,850,336)		
Interest on Income tax refund	4,128,034	1,524,116
Gain on redemption of current investments (Net)	3,377,637	4,557,458
Liabilities / Provisions no longer Required Written Back	5,649,984	47,557,083
Prior Period Income	-	1,271,514
Write back of Auction Surplus	6,293,783	4,859,993
Write back of Provision for Doubtful Ground Rent no longer required (Net)	2,902,950	-
Sale of Scrap	1,709,137	1,153,533
Miscellaneous Income	4,290,832	3,670,885
	<b>128,815,377</b>	<b>124,572,476</b>

Schedules annexed to and forming part of the Consolidated Profit and Loss Account for the Year ended March 31, 2011

	2010-2011	2010-2011	2009-2010
	Rs.	Rs.	Rs.
"Q" Employee Costs			
Salaries, Allowances and Bonus (Refer Note 8 - Schedule "T")		237,855,682	194,976,953
Contribution to Provident and Other Funds		15,233,804	11,880,250
Leave Encashment		10,306,883	6,480,435
Gratuity (Refer Note 14 - Schedule "T")		8,729,164	2,096,125
Staff Welfare		16,677,308	11,648,138
Employees Stock Options Expense (Refer Note 4 - Schedule "T")		3,888,490	244,427
		292,691,331	227,326,328
"R" Operating and Other Expenses			
Road Transportation		840,009,688	678,707,133
Rail Transport		2,019,724,724	1,908,764,099
Container Storage, Handling and Repairs		77,240,382	67,102,079
Labour Charges		141,630,123	129,509,679
Equipment Hire Charges		48,040,995	39,483,336
Surveyors' Fees		13,852,503	11,942,571
Sub-Contract Charges		123,570,999	106,229,875
Auction Expenses [Refer Note 1(ix)(c) - Schedule "T"]		9,533,079	10,059,074
Purchase of Pallets		11,549,943	13,602,106
Fees on Operations and Management of Punjab Conware Container Freight Station		130,404,133	114,917,631
Power and Fuel		138,012,277	95,343,953
Rent [Refer Note 9 - Schedule "T"]		70,341,400	57,716,606
Rail Licensing fees		20,255,035	18,355,619
Rates and Taxes		28,886,866	35,966,719
Repairs and Maintenance:			
- Building/ Yard		15,351,830	7,879,159
- Plant and Machinery		48,299,886	30,837,815
- Containers		9,402,883	68,490
- Others		15,305,701	17,065,974
Insurance		31,742,905	30,423,073
Directors' Sitting Fees		904,536	1,154,159
Customs Staff Expenses		21,139,083	17,853,157
Printing and Stationery		9,154,797	8,253,245
Travelling and Conveyance		44,519,490	43,749,350
Motor Car Expenses		10,369,011	9,960,394
Communication		17,952,236	16,351,712
Advertising Expenses		10,338,280	8,795,719
Security Charges		39,450,565	34,395,467
Professional Fees		53,514,371	42,329,246
Auditors' Remuneration:			
- As Auditors		2,950,000	2,950,000
- As advisers, or in any other capacity, in respect of - Other Services		150,000	150,000
- Reimbursement of Out-of-Pocket Expenses		39,408	63,792
		3,139,408	3,163,792
Bad Debts	20,050,624		32,344,522
Less: Provision for Doubtful Debts Adjusted	18,877,010		31,171,355
		1,173,614	1,173,167
Advances written off		1,350,000	-
Provision for Doubtful Debts [Refer Note 1(xii) - Schedule "T"]		48,841,731	79,829,316
Provision for Doubtful Advances		308,317	12,146,962
Provision for Doubtful Ground Rent		-	8,761,370
Loss on Sale / Disposal of Fixed Assets (Net) [Refer Note 2(b) - Schedule "T"]		13,534,014	4,409,232
Stamp Duty and Share Issue Expenses		18,487	137,649
Foreign Exchange Loss (Net) [Refer Note 1(vii) - Schedule "T"]		5,143,200	-
Bank Charges		11,690,890	10,888,920
Selling and Distribution Expenses		1,936,711	2,041,396
Loss from Joint Venture		442,873	127,758
Preliminary Expenses Written off		36,283	36,284
Amortisation of Miscellaneous Expenditure		2,191,316	2,191,316
Assets written off		-	176,752
Investment written off		-	22,000
Miscellaneous Expenses		10,955,613	7,480,395
		4,101,260,178	3,689,403,749

Schedules annexed to and forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2011

"S" Interest			
Term Loan		142,072,353	184,454,921
Vehicle Finance Loan/ Hire Purchase		10,307,340	10,071,841
Buyer's Credit		2,857,864	667,041
Cash Credit		1,210,630	-
Fixed Assets taken on Deferred Credit		25,494,947	-
Others		60,450	107,391
		182,003,584	195,301,194

**Schedules forming part of the Consolidated Balance Sheet as at March 31, 2011 and the Consolidated Profit and Loss Account for the year then ended**

**“T” NOTES TO THE ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES:**

**(i) Basis of Accounting:**

The Consolidated Financial Statements of Gateway Distriparks Limited (“the Company”) and its subsidiary companies, Gateway East India Private Limited, Gateway Distriparks (South) Private Limited, GatewayRail Freight Limited, Gateway Distriparks (Kerala) Limited, Container Gateway Limited (subsidiary company of GatewayRail Freight Limited) and Snowman Logistics Limited [Formerly known as Snowman Frozen Foods Limited] (collectively referred to as “the Group”) are prepared to comply in all material aspects with all the applicable accounting principles in India, the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 of India (“the Act”) and the relevant provisions of the Act to the extent possible in the same format as that adopted by the Company for its separate financial statements.

**(ii) Principles of consolidation:**

a. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- Intra-group balances and intra-group transactions and resulting profits are eliminated in full.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements.
- The excess cost of the Company of its investment in the subsidiaries is recognized in the financial statements as goodwill on consolidation. The excess of the Company’s portion of equity and reserves of the subsidiaries at the time of its investment is treated in the financial statements as capital reserve.

**2. THE SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE:**

Name of the Company	Country of incorporation	% voting power as at March 31, 2011	% voting power as on March 31, 2010
Gateway East India Private Limited (GEIPL)	India	100% (Shares allotted / acquired on November 23, 2004, on November 22, 2006, on June 3, 2008 and on February 4, 2009)	100% (Shares allotted / acquired on November 23, 2004, on November 22, 2006, on June 3, 2008 and on February 4, 2009)
Gateway Distriparks (South) Private Limited (GDSPL)	India	100% (Shares acquired on December 1, 2004)	100% (Shares acquired on December 1, 2004)
GatewayRail Freight Limited (GRFL)	India	97.27% (Shares allotted / acquired on November 21, 2006, on March 17, 2008, on October 24, 2008, on April 6, 2009 and on December 28, 2010)	94.29% (Shares allotted / acquired on November 21, 2006, on March 17, 2008, on October 24, 2008 and on April 6, 2009)
Gateway Distriparks (Kerala) Limited (GDKL)	India	60% (Shares allotted on March 5, 2007)	60% (Shares allotted on March 5, 2007)
Snowman Logistics Limited [Formerly known as Snowman Frozen Foods Limited] (SLL)	India	52.19% (Shares allotted / acquired on November 22, 2006 and on December 17, 2009)	52.19% (Shares allotted / acquired on November 22, 2006 and on December 17, 2009)
Container Gateway Limited (CGL)	India	51% held by subsidiary company, GRFL (Shares allotted / acquired on October 27, 2010)	-



**(iii) Fixed Assets and Depreciation / Amortisation:**

**(a)** Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortization. The Group capitalises all costs relating to the acquisition, installation and construction of fixed assets, including interest on borrowed funds used to finance the construction and acquisition of fixed assets, up to the date when the assets are ready for commercial use.

**(b)** Depreciation on additions / deletions to fixed assets is calculated on pro-rata basis from the month of such additions / deletions. The Group provides depreciation on straight-line basis method at the rates specified under Schedule XIV (revised) to the Act or based on useful life whichever is higher, except for:

- Leasehold land, which is being amortised over the lease period;
- Leasehold building, which is being amortised over a period of twenty four years;
- Rail Siding, which is being amortised over a period of twenty years based on useful life estimated by the Management;
- Reach stackers (included in Yard Equipments), to be transferred to maintenance operator, are being depreciated over a period of seven years;
- Computer software, having an enduring benefit is being depreciated over three years based on evaluation of useful life by the Management;
- Upfront fees of Punjab Conware's Container Freight Station ("CFS"), is being amortised over the balance period of the Operations and Management agreement of the CFS with effect from July 1, 2007 (balance life as on March 31, 2011 is 10 years and 10 months);
- Technical know-how, which is being amortised over a period of agreement (i.e. five years) from the date of technology being put to use or over balance period of agreement from the date of commencement of the commercial operations, whichever is later;
- Rail license fees paid towards concession agreement, which is being amortised over the period of agreement (i.e. twenty years) from the date of commencement of commercial operations (balance life as on March 31, 2011 are sixteen years and two months); and
- Additions / construction of building, electrical installations, furniture and fixtures and office equipments at Punjab Conware CFS is being amortized over the balance period of the Operations and Management Agreement of the CFS with effect from July 1, 2007.

**(c)** Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition / construction.

**(d)** Goodwill on consolidation is not amortised but is tested for impairment at the end of every financial year.

**(e)** Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**(iv) Incidental Expenditure Pending Capitalization:**

Incidental and Pre-operative Expenditure Pending Capitalisation / Allocation represents expenses incurred prior to the commencement of Container Freight Station (CFS) of Gateway Distriparks (Kerala) Limited and Container Gateway Limited which will be allocated to the cost of the fixed assets on commencement of operations.

**(v) Investments:**

Current Investments are stated at the lower of cost and fair value.

**(vi) Borrowing Cost:**

Borrowing costs directly attributable to the acquisition / construction of an asset are apportioned to the cost of the fixed assets up to the date on which the asset is put to use / commissioned.

**(vii) Foreign Currency Transactions:**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction date. Realised gains and losses on settlement of foreign currency transactions are recognised in the Profit and Loss Account. Foreign currency monetary assets and monetary liabilities at the year-end are translated at the year-end exchange rates, and the resultant exchange difference is recognized in the Profit and Loss Account, except for long-term liabilities incurred for purpose of fixed assets which are capitalised as part of cost of fixed assets.

**(viii) Employee Benefits:****(a) Defined Contribution Plans**

The Company has Defined Contribution plans for post employment benefits namely Provident Fund and Pension Scheme which are recognised by the income tax authorities and administered through appropriate authorities.

The Company contributes to a Government administered Provident Fund and has no further obligation beyond making its contribution.

The Company's contribution to the above fund is charged to revenue every year.

**(b) Defined Benefit Plans**

The Company has a Defined Benefit Plan comprising of Gratuity Fund. The liability for the Defined Benefit Plan is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

The gratuity scheme is funded through Comprehensive Gratuity Policy - cum - Group Term Life Insurance Policy from Tata AIG Life Insurance Company Limited, except for employees of Punjab Conware's CFS, the operations wherein are taken over by the Company under Operations and Management agreement, Gateway Distriparks (Kerala) Limited, Container Gateway Limited, Gateway Distriparks (South) Private Limited and Gateway Rail Freight Limited.

Termination benefits are recognised as an expense as and when incurred. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

**(c) Other Employee Benefits**

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability with respect to unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date.

**(ix) Revenue Recognition:**

**(a)** Income from Container Handling and Repair and Service Charges is recognised on delivery of the container / cargo. Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station / Inland Container Depot. However, in case of long standing containers, the Income from Ground Rent is not accrued for a period beyond 60 days on a consistent basis as per the prevailing business practice.

**(b)** Income from Transportation, Storage and Handling activities are accrued on completion of the service. Sales revenue from export is recognised on transfer of significant risks and rewards of ownership that generally coincides with delivery of goods. Income from commission on consignment sales are recognized on the completion of consignment sales.

**(c)** Income from auction sales is generated when the Group auctions long-standing cargo that has not been cleared by customs. Revenue and expenses for Auction Sales are recognised when auction is completed after necessary approvals from appropriate authorities are obtained. Auction Sales include recovery of the cost incurred in conducting auctions, custom duties on long-standing cargo and accrued ground rent and handling charges relating to long-standing cargo. Surplus, out of auctions, if any, after meeting all expenses and the actual ground rent, is credited to a separate account 'Auction Surplus' and is shown under the head 'Current Liabilities and Provisions'. Unclaimed Auction Surplus, if any, in excess of one year is written back as 'Income' in the following financial year.

**(d)** Income from rail transportation is recognised on delivery of container / cargo.

**(x) Taxes on Income:****(a) Current Taxation**

The current tax is determined as the amount of tax payable with respect to the taxable income for the year as per The Income Tax Act, 1961, of India.

**(b) Deferred Taxation**

Deferred Tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognised unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax is not recognised on timing differences, which would arise and are expected to be reversed during the period of tax holiday.

**(c) Minimum Alternate Tax Credit**

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing

evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

**(xi) Employees' Stock Option Scheme:**

Stock options granted to the employees under stock option schemes are evaluated as per the accounting treatment prescribed by Employees Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities and Exchange Board of India. Accordingly, the excess of the fair value of the stock option as on the date of grant of options is charged to the Profit and Loss Account on straight-line-method over the vesting period of the options. The fair value of the options is measured on the basis of an independent valuation performed or the market price with respect to stock options granted.

**(xii) Provision for doubtful debts**

The provision for doubtful debts reflects the Management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries.

**(xiii) Miscellaneous Expenditure (to the extent not written-off or adjusted):**

Preliminary and other related expenses are being amortised on a straight-line basis over the period of five years. Unamortised portion is disclosed as 'Miscellaneous Expenditure' in the Balance Sheet.

**(xiv) Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

**2. CONTINGENT LIABILITIES:**

Rs.

Particulars	2010-2011	2009-2010
Bank Guarantees and Continuity Bonds executed in favour of The President of India through the Commissioners of Customs and in favour of Sales Tax Authorities.	22,852,327,885	11,520,704,616
Bank Guarantee issued by Bank in favour of Punjab State Container and Warehousing Corporation Limited in respect of Operations and Management Contract of their CFS at Dronagiri Node, Nhava Sheva.	2,170,000,000	58,000,000
Bank Guarantee issued by Bank in favour of Board of Trustees of Port of Mumbai.	200,000	-
Counter indemnity for guarantees issued by bank for loans taken by subsidiaries and for guarantees given by banks to Commissioner of Customs and to State Pollution Control Board for Subsidiaries.	1,175,325,586	2,768,721,437
Claims made by the Party not acknowledged as debts		
- Container Corporation of India Limited (Refer Note "a" below)	Not Ascertainable	Not Ascertainable
- Others	24,774,714	22,527,714
Disputed Service Tax Claims (including Interest and Penalty to the extent ascertainable)	32,581,255	32,581,255
Income Tax Matters	694,409,585	196,040
<b>Total</b>	<b>26,949,619,025</b>	<b>14,402,731,062</b>

**Notes:**

(a) The Company ("GDL") and its subsidiary company, GatewayRail Freight Limited ("GRFL") are involved in an arbitration proceeding with Container Corporation of India Limited ("Concor") with respect to agreements entered into by the parties for operation of container trains from the Inland Container Depot and Rail Siding of the Company at Garhi Harsaru, Gurgaon. Concor has raised claims on GDL and GRFL on various issues with respect to the aforesaid agreements. Based on legal opinion, the Management has taken a view that these claims are at a preliminary stage and the question of maintainability of the alleged disputes as raised by Concor under the aforesaid agreements is yet to be determined and are not sustainable. Pending conclusion of the arbitration, the parties are maintaining "status quo" with respect to the operations at Garhi Harsaru, Gurgaon.

(b) There was a fire at one of the warehouses of Punjab Conware Container Freight Station for which the Company is the "Operations and Management Operator" for 15 years with effect from February 1, 2007. The extent of damage / loss to the warehouse and the cargo stored in the warehouse is being assessed by surveyors appointed by the Insurers. The Company is in the process of compiling the necessary information, assessing the situation and lodging insurance claims. Pending assessment of surveyor, the Company has written-off other equipments, furniture and fixtures aggregating Rs. 2,148,386 during the financial year 2009-10. Further, loss of building and electrical installations aggregating Rs. 7,028,431 (Previous year: Rs. 7,028,431) has been disclosed as 'Claims Receivable' under other current assets.

**3. CAPITAL COMMITMENTS:**

Estimated amount of contracts (net of advances of Rs. 120,686,054; Previous year Rs. 77,954,373) remaining to be executed on capital account and not provided for is Rs. 723,085,530; (Previous year Rs. 688,295,650).

**4. EMPLOYEE STOCK OPTION PLAN**

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on September 14, 2005, the Company had introduced new ESOP scheme for its Directors and employees.

Particulars	ESOP 2005-I	ESOP 2005-II	ESOP 2005-III	ESOP 2005-IV
Date of meeting of ESOP Committee / Board of Directors, granting the options	September 15, 2005	July 20, 2006	January 30, 2008	January 29, 2010
Maximum grant of options by ESOP Committee / Board of Directors	240,000 Equity Shares of Face Value Rs. 10 each	311,750 Equity Shares of Face Value Rs. 10 each	306,875 Equity Shares of Face Value Rs. 10 each	345,000 Equity Shares of Face Value Rs. 10 each
Adjustment for issue of bonus shares, in the ratio of 1 new equity share for every 4 existing shares held in the Company, made on August 4, 2007	24,798 Equity Shares	65,812 Equity Shares	-	-
Vesting period	Options to vest on a graded basis after a minimum exercise period of 1 year from September 16, 2005.	Options to vest on a graded basis after a minimum exercise period of 1 year from July 21, 2006.	Options to vest on a graded basis after a minimum exercise period of 1 year from January 31, 2008.	Options to vest on a graded basis after a minimum exercise period of 1 year from January 30, 2010.
Exercise period	Three years from the date of vesting, on graded basis.	Three years from the date of vesting on graded basis	Three years from the date of vesting, on graded basis.	Three years from the date of vesting, on graded basis.
Exercise price (including Share Premium above Face Value Rs. 10 per share)	Rs. 163.64 per share (at the time of grant of options) Rs. 130.92 per share (after adjustment for Bonus issue)	Rs. 136.56 per share (at the time of grant of options) Rs. 109.25 per share (after adjustment for Bonus issue)	Rs. 92.92 per share	Rs. 99.92 per share

Options outstanding as on March 31, 2011	39,473 Equity Shares	87,220 Equity Shares	31,587 Equity Shares	329,100 Equity Shares
Method of Accounting and Intrinsic Value	The excess of Fair Value (Closing Market Price on National Stock Exchange as on September 14, 2005) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortised over the vesting period	The excess of Fair Value (Closing Market Price on National Stock Exchange as on July 19, 2006) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortised over the vesting period	The excess of Fair Value (Closing Market Price on National Stock Exchange as on January 29, 2008) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortised over the vesting period	The excess of Fair Value (Closing Market Price on National Stock Exchange as on January 28, 2010) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is amortised over the vesting period

The details of movement in ESOP plans are given below:

(No. of Equity Shares)				
Particulars	ESOP Plan I	ESOP Plan II	ESOP Plan III	ESOP Plan IV
Options granted	264,798 (264,798)	377,562 (377,562)	306,875 (306,875)	345,000 (345,000)
Less: Options Exercised	33,800 (33,800)	161,992 (152,137)	235,477 (158,301)	7,900 (-)
Less: Options lapsed	191,525 (165,562)	128,350 (123,375)	39,811 (39,249)	8,000 (4,000)
Options outstanding at the end of the year	39,473 (65,436)	87,220 (102,050)	31,587 (109,325)	329,100 (341,000)

(Figures in brackets represent the previous year.)

5. Based on opinions obtained from lawyer and tax consultant, the Management has taken a view that the provisions of Section 80-IA (4) (i) of the Income Tax Act, 1961, of India ("the Income Tax Act") have been fulfilled and the Company is eligible for tax holiday under the Income Tax Act with respect to the Container Freight Station activities. Consequently, the income-tax liability for the year ended March 31, 2011 has been determined under "Minimum Alternate Taxation" ("MAT") pursuant to Section 115JB of the Income Tax Act. Considering the balance term of Section 80-IA (4) (i) of the Income Tax Act and based on the assessment of future profitability, the Company and subsidiary companies have taken MAT credit of Rs. 133,968,339 (Previous year: Rs. 228,334,734) during the current year, as MAT credit can be set-off against future tax liability. Accordingly, Rs. 362,303,073 (Previous year: Rs. 228,334,734) is carried as "Loans and Advances" as on March 31, 2011.

During the year, Deputy Commissioner of Income Tax has issued an order under Section 143(3) of the Income Tax Act, for the Assessment Year 2008-2009, disallowing the claim of deduction by the Company under Section 80-IA (4) (i) of the Income Tax Act and issued notice of demand under Section 156 of the

Income Tax Act for recovery of additional income tax and interest aggregating Rs. 240,666,597 and initiated proceedings to levy penalty. The Company has filed an appeal against the assessment order before the Commissioner of Income Tax (Appeals). Pending conclusion of the appeal, the Company has agreed to deposit 30% of the demand before September 2011, of which Rs. 40,000,000 has been deposited till May 31, 2011.

During the year, Deputy Commissioner of Income Tax has issued notices under Section 148 of the Income Tax Act, proposing to re-assess the Income for Assessment Years 2004-2005 to 2007-2008, disallowing the deduction under Section 80IA (4) (i) of the Income Tax Act. The Company expects tax payable aggregating Rs. 446,034,374 (excluding interest) on the amount disallowed.

Based on Tax Consultant's opinion, the Management is of the opinion that the Company is entitled to deduction under Section 80-IA (4) (i) of the Income Tax Act for the Assessment Years 2004-2005 to 2008-2009 and hence, no provision for the aforesaid demand / notices has been made for the year ended March 31, 2011.

## 6. SEGMENT REPORTING

### Primary Segment:

In accordance with Accounting Standard 17 – "Segment Reporting" notified under sub-section (3C) of Section 211 of the Act, the Group has determined its business segment as follows:

a) "Container Freight Station" segment includes common user facilities located at various locations in India, offering services for handling and temporary storage of import / export laden and empty containers and cargo carried under customs control. The segment includes Container Freight stations located near sea ports and Inland Container Depots located in the interiors of the country away from the ports.

b) "Rail Transportation" segment includes transportation of import / export / domestic laden and empty containers by rail under concession agreement with Indian Railways. The Company provides rakes to customers for transporting containers on the Indian Railways network.

c) "Road Transportation" segment includes transport of laden and empty containers by trailers to various locations in India by roads. It also includes transport of chilled and frozen products by refrigerated trucks to various locations in India by roads.

d) "Other Operating Segments" includes storage facilities at cold stores at various locations in India. Chilled and frozen products are stored under appropriate, controlled temperature conditions on behalf of customers at the cold stores.



Rs.

Particulars	2010-2011					2009-2010				
	Container Freight Station	Rail Transportation	Road Transportation	Other Operating Segments	Total	Container Freight Station	Rail Transportation	Road Transportation	Other Operating Segments	Total
<b>Revenues</b>										
External Inter-Segment	2,799,623,913	2,465,261,191	509,018,984	271,503,172	6,045,407,260	2,280,886,957	2,309,119,445	463,642,333	209,514,078	5,263,162,813
		-	-	-	-	9,430,059	-	-	-	9,430,059
<b>Total Revenues</b>	<b>2,799,623,913</b>	<b>2,465,261,191</b>	<b>509,018,984</b>	<b>271,503,172</b>	<b>6,045,407,260</b>	<b>2,271,456,898</b>	<b>2,309,119,445</b>	<b>463,642,333</b>	<b>209,514,078</b>	<b>5,253,732,754</b>
<b>Result</b>										
Segment result	1,035,042,901	9,685,039	94,757,529	76,466,461	1,215,951,930	945,052,710	(22,099,024)	(34,551,541)	47,674,471	936,076,616
Less: Unallocated expenditure net of unallocated income					66,933,126					53,449,566
Less: Interest expense					182,003,584					195,301,194
Add: Interest income					70,825,206					31,883,568
Add: Profit on sale of investments (Net)					3,377,637					4,557,458
<b>Profit before taxation</b>					<b>1,041,218,063</b>					<b>723,766,882</b>

Rs.

Particulars	2010-2011					2009-2010				
	Container Freight Station	Rail Transportation	Road Transportation	Other Operating Segments	Total	Container Freight Station	Rail Transportation	Road Transportation	Other Operating Segments	Total
<b>Segment Assets</b>										
Unallocated Corporate Assets	3,089,556,731	6,550,502,425	363,391,935	710,598,184	10,714,049,275	3,726,227,148	5,115,520,779	409,860,024	509,528,134	9,761,136,085
					2,131,735,205					1,099,178,176
<b>Total Assets</b>	<b>3,089,556,731</b>	<b>6,550,502,425</b>	<b>363,391,935</b>	<b>710,598,184</b>	<b>12,845,784,480</b>	<b>3,726,227,148</b>	<b>5,115,520,779</b>	<b>409,860,024</b>	<b>509,528,134</b>	<b>10,860,314,261</b>
<b>Segment Liabilities</b>										
Unallocated Corporate Liabilities	356,503,952	208,169,725	29,662,252	47,382,912	641,718,841	175,959,364	740,828,255	29,345,378	38,843,876	984,976,873
					5,324,672,594					3,233,487,807
<b>Total Liabilities</b>	<b>356,503,952</b>	<b>208,169,725</b>	<b>29,662,252</b>	<b>47,382,912</b>	<b>5,966,391,435</b>	<b>175,959,364</b>	<b>740,828,255</b>	<b>29,345,378</b>	<b>38,843,876</b>	<b>4,218,464,680</b>
<b>Capital Expenditure</b>										
Unallocated Capital Expenditure	432,150,123	941,704,866	34,270,002	226,066,327	1,634,191,318	158,688,160	763,670,857	1,911,401	96,501,712	1,020,772,130
					14,303,992					21,125,761
<b>Total Capital Expenditure</b>	<b>432,150,123</b>	<b>941,704,866</b>	<b>34,270,002</b>	<b>226,066,327</b>	<b>1,648,495,310</b>	<b>158,688,160</b>	<b>763,670,857</b>	<b>1,911,401</b>	<b>96,501,712</b>	<b>1,041,897,891</b>
<b>Segment Depreciation</b>										
Unallocated Segment Depreciation	166,833,327	217,838,256	81,336,971	36,428,393	502,436,947	166,125,599	175,311,841	85,011,630	28,415,817	454,864,887
					-					-
<b>Total Segment Depreciation</b>	<b>166,833,327</b>	<b>217,838,256</b>	<b>81,336,971</b>	<b>36,428,393</b>	<b>502,436,947</b>	<b>166,125,599</b>	<b>175,311,841</b>	<b>85,011,630</b>	<b>28,415,817</b>	<b>454,864,887</b>

(Figures in bracket indicate loss.)

**Secondary Segment:**

The Group's operations are such that all activities are confined only to India and hence, there is no secondary reportable segment relating to the Group's business.

**7. DISCLOSURE OF RELATED PARTY TRANSACTIONS**

Related Party Disclosures, as required by Accounting Standard 18, "Related Party Disclosures", notified under sub-section (3C) of Section 211 of the Act are given below:

Key Management Personnel: Mr Prem Kishan Gupta, Deputy Chairman and Managing Director

	Rs.	
Key Management Personnel	2010-2011	2009-2010
Commission to Mr. Prem Kishan Gupta, Deputy Chairman and Managing Director	2,300,000	2,000,000
Director Sitting Fees	88,036	107,275

**8. DIRECTORS' REMUNERATION:**

	Rs.	
Particulars	2010-2011	2009-2010
Commission to Deputy Chairman and Managing Director	2,300,000	2,000,000
Commission to non whole -time Directors	8,500,000	7,000,000
Directors' Sitting Fees	904,536	1,154,159
<b>Total</b>	<b>11,704,536</b>	<b>10,154,159</b>

9. The Company has taken office premises under non-cancellable operating lease and lease rent of Rs. 32,015,984 (Previous Year Rs. 16,359,300) has been included under the head 'Operating and Other Expenses - Rent' under Schedule "R" in the Profit and Loss Account.

	Rs.		
Particulars	Minimum Future Lease Rentals		
	Due within one year	Due later than one year and not later than five years	Due later than five years
Amount recognised during the year			
Lease Rentals			
2010-2011	25,398,257	60,159,787	170,853,087
2009-2010	44,150,264	9,253,314	18,357,650
			32,015,984
			16,539,300

In addition, the Company has entered into various cancellable leasing arrangements for office and residential premises with respect to which an amount of Rs. 42,159,811 (Previous Year Rs. 38,260,714) has been appropriately included under 'Operating and Other Expenses - Rent' under Schedule "R" in the Profit and Loss Account.

**10. COMPUTATION OF EARNINGS PER SHARE (BASIC AND DILUTED)**

The number of shares used in computing Basic Earnings per share (EPS) is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which would be issued on exercise of options under the Employees Stock Option Plan 2005.

Particulars	2010-2011	2009-2010
I. Profit Computation for both Basic and Diluted Earnings Per Share of Rs. 10 each		
Net Profit as per the Profit and Loss Account available for Equity Shareholders (in Rupees)	967,521,120	791,441,732
II. Weighted average number of Equity Shares for Earnings per Share computation		
For Basic Earnings Per Share (Nos.)	107,978,202	107,756,539
Add: Weighted average outstanding employee stock options deemed to be issued for no consideration (Nos.)	78,597	-
No. of Shares for Diluted Earnings Per Share	108,056,799	107,756,539
III. Earnings Per Shares in Rupees (Weighted Average)		
Basic	8.96	7.34
Diluted	8.95	7.34

11. The Company has been legally advised that prior approval of the Central Government of India is not necessary under Section 297 of the Act with respect to providing "Handling Income" services to private limited companies where a Director of the Company is a Director.

12. GatewayRail Freight Limited (GRFL), subsidiary of the Company had entered into an agreement with Container Corporation of India Limited to form a Joint Venture Company (JV), to operate the Company's Inland Container Depot at Garhi Harsaru. Pending formation of the JV, the Company has transferred the operations including receivables and payables under an Operations and Management arrangement to GRFL with effect from April 1, 2007.

**13. PROVISION FOR CONTINGENCIES**

Rs.

Particulars	Indirect Taxes (Refer note below)	Others (Refer note below)	Total
Opening Balance	11,970,820	1,537,300	13,508,120
Previous year	(4,778,778)	(33,080,760)	(37,859,538)
Add: Provision Made	-	6,881,667	6,881,667
Previous year	(7,192,042)	(1,537,300)	(8,729,342)
Less: Amounts Utilised	-	-	-
Previous year	(-)	(-)	(-)
Less: Provision Reversed	-	-	-
Previous year	(-)	(33,080,760)	(33,080,760)
<b>Closing Balance</b>	<b>11,970,820</b>	<b>8,418,967</b>	<b>20,389,787</b>
Previous year	(11,970,820)	(1,537,300)	(13,508,120)

**Note:**

Represents estimates made for probable liabilities arising out of pending assessment proceedings with various Government Authorities. The information usually required by Accounting Standard 29 – “Provisions, Contingent Liabilities and Contingent Assets”, notified under Section 211 (3C) of the Act, is not disclosed on grounds that it can be expected to prejudice the interests of the Company.

The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence, the Company is not able to reasonably ascertain the timing of the outflow.

**14. DISCLOSURE FOR AS-15 (REVISED)**

The Group has adopted Accounting Standard 15 “Employee Benefits” with effect from April 1, 2007. Pursuant to adoption, the Group has classified various benefits provided to employees as under:-

**I. Defined Contribution Plans**

- a. Provident Fund
- b. State Defined Contribution Plan
  - Employers’ Contribution to Employee’s Pension Scheme 1995 and Labour Welfare Fund.

During the year, the Company has recognised the following amounts in the Profit and Loss Account:

- Employers’ Contribution to Provident Fund \*Rs. 15,233,684 (Previous year: Rs. 11,880,130) [Includes EDLI charges and Employers’ Contribution to Employee’s Pension Scheme 1995]
- Contribution to Labour Welfare Fund \*Rs. 120 (Previous Year Rs. 120)

\*Included in Contribution to Provident and Other Funds (Refer Schedule “Q”)

**II. Defined Benefit Plan****Gratuity**

In accordance with Accounting Standard 15, actuarial valuation was done with respect to the aforesaid defined benefit plan of gratuity based on the following assumptions:-

(% per annum)

	2010-2011	2009-2010
Discount Rate	8-8.25	7.75-8.50
Rate of increase in Compensation Levels	6-9	5-8
Rate of Return on Plan Assets	8	8

	2010-2011		2009-2010	
Particulars	Funded	Non-Funded	Funded	Non- Funded
	Rs.	Rs.	Rs.	Rs.
<b>Change in the Present Value of Obligation</b>				
Present Value of Obligation at the beginning of the year	10,132,985	6,987,845	8,698,596	6,298,009
Interest Cost	807,957	619,510	736,723	534,525
Current Service Cost	1,736,368	2,597,817	1,840,460	1,767,803
Past Service Cost	-	226,616	-	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits Paid	(212,122)	(257,003)	(682,286)	-
Actuarial (Gain) / Loss on Obligations	1,751,695	1,538,493	(460,508)	(1,612,492)
Present Value of Obligation at the end of the year	<b>14,216,883</b>	<b>11,713,278</b>	<b>10,132,985</b>	<b>6,987,845</b>
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as at the beginning of the year	5,884,470	-	4,768,375	-
Expected Return on Plan Assets	509,232	-	403,587	-
Actuarial Gain / (Loss) on Plan Assets	40,060	-	351,206	-
Contributions	1,999,901	-	1,043,588	-
Benefits paid	(212,122)	-	(682,286)	-
Fair Value of Plan Assets as at the end of the year	<b>8,221,541</b>	-	<b>5,884,470</b>	-
<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at year end.</b>				
The Plan Assets are administered by Tata AIG Life Insurance Company Limited and Life Insurance Corporation of India as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority regulations.				

Reconciliation of Present Value of Defined Benefit				
Obligation and the Fair Value of Assets	2010-2011		2009-2010	
	Funded	Non-Funded	Funded	Non-Funded
	Rs.	Rs.	Rs.	Rs.
Present Value of Funded Obligation as at end of the year	14,216,883	11,713,278	10,132,985	6,987,845
Fair Value of Plan Assets as at the end of the year	8,221,541	-	5,884,470	-
Funded (Asset) / Liability recognised in the Balance Sheet	(8,221,541)	-	(5,884,470)	-
Present Value of Unfunded Obligation as at the end of the year	5,995,342	11,713,278	4,248,515	6,987,845
Unrecognized Past Service Cost	-	-	-	-
Unrecognized Actuarial (Gain)/ Loss	-	-	-	-
<b>Unfunded Net (Asset) / Liability Recognised in Balance Sheet**</b>	<b>5,995,342</b>	<b>11,713,278</b>	<b>4,248,515</b>	<b>6,987,845</b>
**Included under Provisions "Gratuity" (Refer Schedule "M")				
Amount recognised in the Balance Sheet	2010-11		2009-2010	
	Funded	Non-Funded	Funded	Non-Funded
	Rs.	Rs.	Rs.	Rs.
Present Value of Obligation as at end of the year	14,216,883	11,713,278	10,132,985	6,987,845
Fair Value of Plan Assets as at end of the year	8,221,541	-	5,884,470	-
<b>(Asset) / Liability recognised in the Balance Sheet***</b>	<b>5,995,342</b>	<b>11,713,278</b>	<b>4,248,515</b>	<b>6,987,845</b>

\*\*\* Included under Provisions "Gratuity" (Refer Schedule "M")

Expenses Recognised in the Profit and Loss Account				
Current Service Cost	1,736,368	2,597,817	1,840,460	1,767,803
Past Service Cost	-	226,616	-	-
Interest Cost	807,957	619,510	736,723	534,525
Expected Return on Plan Assets	(509,232)	-	(403,587)	-
Curtailement Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Net actuarial (Gain) / Loss recognised in the year	1,711,635	1,538,493	(811,714)	(1,612,492)
<b>Total Expenses recognised in the Profit and Loss Account (excludes Rs. 44,407 payable to Resigned employee on March 31, 2010)</b>	<b>3,746,728</b>	<b>4,982,436</b>	<b>1,361,882</b>	<b>689,836</b>
**** Included in Contribution to Provident and Other Funds (Refer Schedule "Q")				
<b>Expected Contribution for Next Year</b>	<b>2,699,070</b>	<b>-</b>	<b>2,921,382</b>	<b>-</b>

#### Details of Present Value of Obligation, Plan Assets and Experience Adjustment:

	2010-2011	2009-2010	2008-2009	2007-2008
	Rs.	Rs.	Rs.	Rs.
Present value of obligation				
- Funded	14,216,883	7,481,668	8,698,595	5,855,388
- Unfunded	16,471,128	2,180,153	6,298,009	3,961,762
Fair value of plan assets	8,221,541	3,644,679	4,768,375	3,629,630
(Surplus) / Deficit	17,708,620	11,236,360	10,228,229	6,187,520
Experience Adjustments:				
(Gain) / Loss on funded plan liabilities	955,963	(460,508)	858,445	(331,127)
Gain / (Loss) on funded plan assets	40,060	351,206	(365,788)	158,296
(Gain) / Loss on unfunded plan liabilities	(457,439)	(1,612,492)	286,773	137,849
(Gain) / Loss on funded plan liabilities due to change in actuarial assumptions	795,732	-	-	-
(Gain) / Loss on unfunded plan liabilities due to change in actuarial assumptions	1,856,826	-	-	-

#### Other Employee Benefit Plan:

The liability for leave encashment and compensated absences as at the year end is Rs. 16,564,768 (Previous year: Rs. 9,972,975).

#### 15. DISCLOSURE OF DERIVATIVES

The foreign currency outstanding that has not been hedged by any derivative instrument or otherwise as on March 31, 2011 is as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount March 31, 2011	Amount (Rupees) March 31, 2011	Foreign Currency Amount March 31, 2010	Amount (Rupees) March 31, 2010
Liabilities (Buyers' Credit)	Euro	960,000	61,255,200	-	-
Buyers' Credit	USD	2,533,285	112,604,518	552,200	25,312,848
Liabilities (Interest Accrued but not due on Buyers' Credit)	Euro	8,040	513,033	-	-
Interest Accrued but not due on Buyers' Credit	USD	14,729	654,722	1,088	49,853

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates (Revised 2003)".

**16.** There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The information regarding Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.



**17.** Arbitration proceedings are going on between both the Joint Venture companies i.e. Container Corporation of India Limited and Gateway Rail Freight Limited with respect to agreements entered into by the parties for operation of container trains from Inland Container Depot and Rail Siding of GatewayRail Freight Limited at Garhi Harsaru, Gurgaon. Pending arbitration proceedings, the Board of Directors of subsidiary company – Container Gateway Limited has not met regularly in the last four years. Further, the requisite statutory meeting under Section 165 of the Act and other meetings could not be held on time to time and compliances under the Act or any other law/statute could not be met. The aforesaid subsidiary company has not started its operations till date. However, the aforesaid subsidiary Company has already filed its Annual Accounts and Annual Returns for the year ended 2008 with ROC, NCT of Delhi and Haryana with additional fees.

**18.** Under the provisions of the Act, a company limited by shares is required to hold a Statutory meeting of the members of the public company within a period of not less than one month and nor more than six months from the date at which the Company is entitled to commence business. The subsidiary company – Container Gateway Limited has received certificate for commencement of business on January 16, 2008 from the Registrar of Companies (ROC), NCT of Delhi and Haryana and hence, the statutory meeting was supposed to be conveyed on or before July 16, 2008. However, such meeting has been held on June 7, 2011.

**19.** The subsidiary company has entered into a lease deed on December 7, 2007 with Gateway Distriparks Limited to take certain portions of land and building at Village Wazirapur at a monthly rental of Rs. 3,861,000, but no action has been taken in this matter and lease deed also remained unregistered and hence, no liability in this regard has been taken in the accounts.

**20.** During the year, the subsidiary company GatewayRail Freight Limited has allotted 120,000,000 Compulsory Convertible Preference Shares of Rs. 24.65 each, fully paid-up at a premium of Rs. 0.35 per share and 100 Equity Shares of Rs. 25 each, fully paid-up to Blackstone GPV Capital Partners Mauritius V-H Ltd (“Blackstone”) pursuant to a resolution approved by Board of Directors at their meeting held on August 23, 2010. Blackstone has the option to convert these Compulsory Convertible Preference Shares either in full or in part, into fully paid-up Equity Shares of the Company without the payment of additional consideration, as per the terms and conditions of Shareholders and Share Subscription Agreement dated November 9, 2009 entered into by the Company and its Holding Company with Blackstone, and as amended by Supplemental Agreement dated August 17, 2010. The conversion ratio is 167 Equity Shares for every 100 Compulsory Convertible Preference Shares held by Blackstone. The subsidiary company has obtained Unique Identification Number for the aforesaid allotment of Compulsory Convertible Preference Shares and Equity Shares and is in process of obtaining approval from Reserve Bank of India of the said allotment.

**21.** Previous year's figures have been rearranged to conform with current year's presentation, where applicable. Signatures to Schedules “A” to “T” forming part of the Consolidated Financial Statements.

For **Price Waterhouse**  
Firm Registration No. 301112E  
Chartered Accountants

**Uday Shah**  
Partner  
Membership No.: F-46061

Place: Mumbai  
Date: June 15, 2011

For and on behalf of the Board of Directors

**Gopinath Pillai**  
Chairman

**Prem Kishan Gupta**  
Deputy Chairman and  
Managing Director

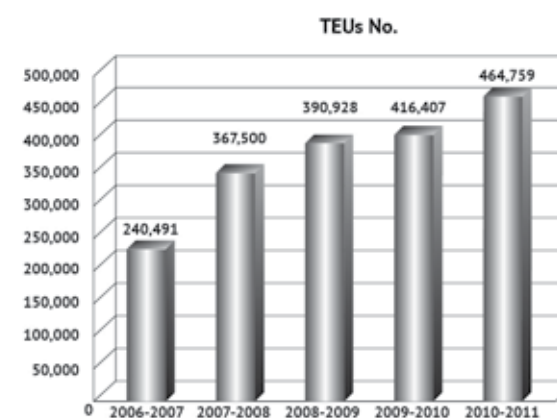
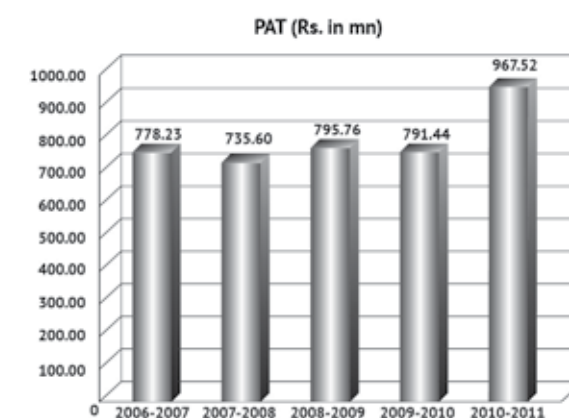
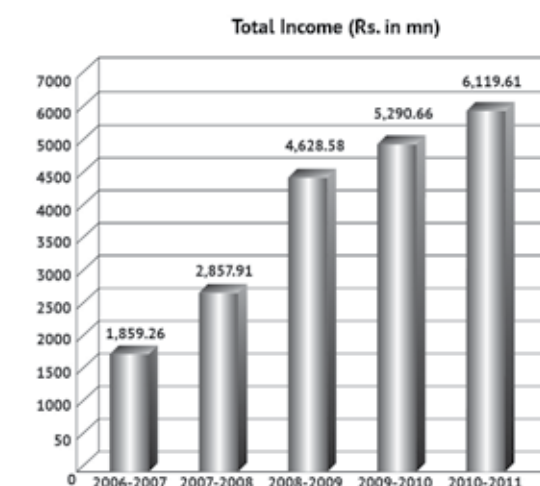
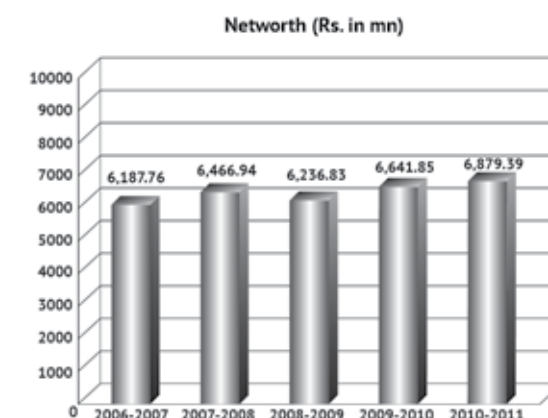
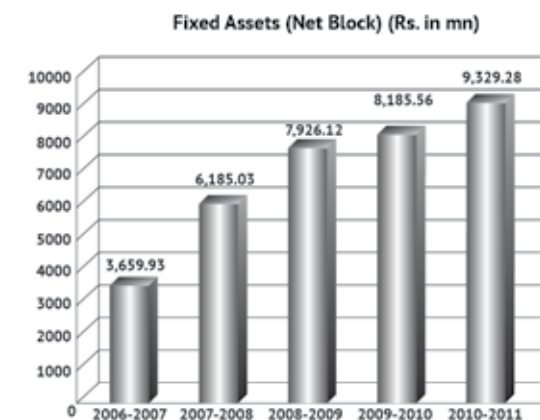
**R. Kumar**  
Deputy Chief Executive Officer and Chief Finance  
Officer cum Company Secretary

Place: New Delhi  
Date: June 14, 2011

## INFORMATION RELATED TO SUBSIDIARY COMPANIES

S. No.	Particulars	Gateway East India Private Limited	Gateway Distriparks (South) Private Limited	Gateway Rail Freight Limited	Container Gateway Limited	Gateway Distriparks (Kerala) Limited	Snowman Logistics Limited
1	Paid-up Share Capital	80,000,000	9,900,000	4,973,002,500	1,000,000	500,000	1,029,070,000
2	Share Application Money	47,565,721	-	1,150,000,000	-	360,235,092	-
3	Reserves & Surplus	63,547,223	446,260,909	13,205,109	-	-	90,666,504
4	Debit Balance in Profit and Loss Account	-	-	520,301,394	-	3,188,438	81,494,033
5	Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	2,556,219	205,698	36,283	-
6	Total Assets	216,183,485	501,070,522	7,105,314,889	1,100,000	358,060,540	1,109,095,806
7	Total Liabilities	25,070,541	44,909,613	1,491,964,893	305,698	550,169	70,853,335
8	Investments (other than in subsidiaries)	-	-	-	-	-	-
9	Turnover	128,264,848	401,791,787	3,226,194,233	-	-	475,899,572
10	Profit before taxation (Profit / (Loss))	28,168,454	119,914,319	(37,496,787)	-	(482,810)	73,992,477
11	Provision for taxation (includes Income Tax, Deferred Tax, Net of Income Tax refunds & Minimum Alternate Tax Credit Entitlement)	17,141,779	6,451,942	2,409,413	-	(254,394)	9,540,912
12	Profit after taxation (Profit / (Loss))	11,026,675	113,462,377	(39,906,200)	-	(228,416)	64,451,565
13	Proposed Dividend	-	-	-	-	-	-
For and on behalf of the Board of Directors							
		<b>Gopinath Pillai</b> Chairman	<b>Prem Kishan Gupta</b> Deputy Chairman and Managing Director				
		<b>R. Kumar</b> Deputy Chief Executive Officer and Chief Finance Officer Cum Company Secretary					
	Place: New Delhi Date : June 14, 2011						

## CONSOLIDATED RESULTS AT A GLANCE



## NOTES

[illegible]

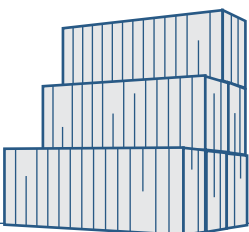
## NOTES

[illegible]

## NOTES

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.





Sector: 6, Dronagiri, Taluka Uran  
District Raigad, Navi Mumbai-400 707.  
Tel: +91-22-27246500, Fax: +91-22-27246538  
[www.gateway-distriparks.com](http://www.gateway-distriparks.com)