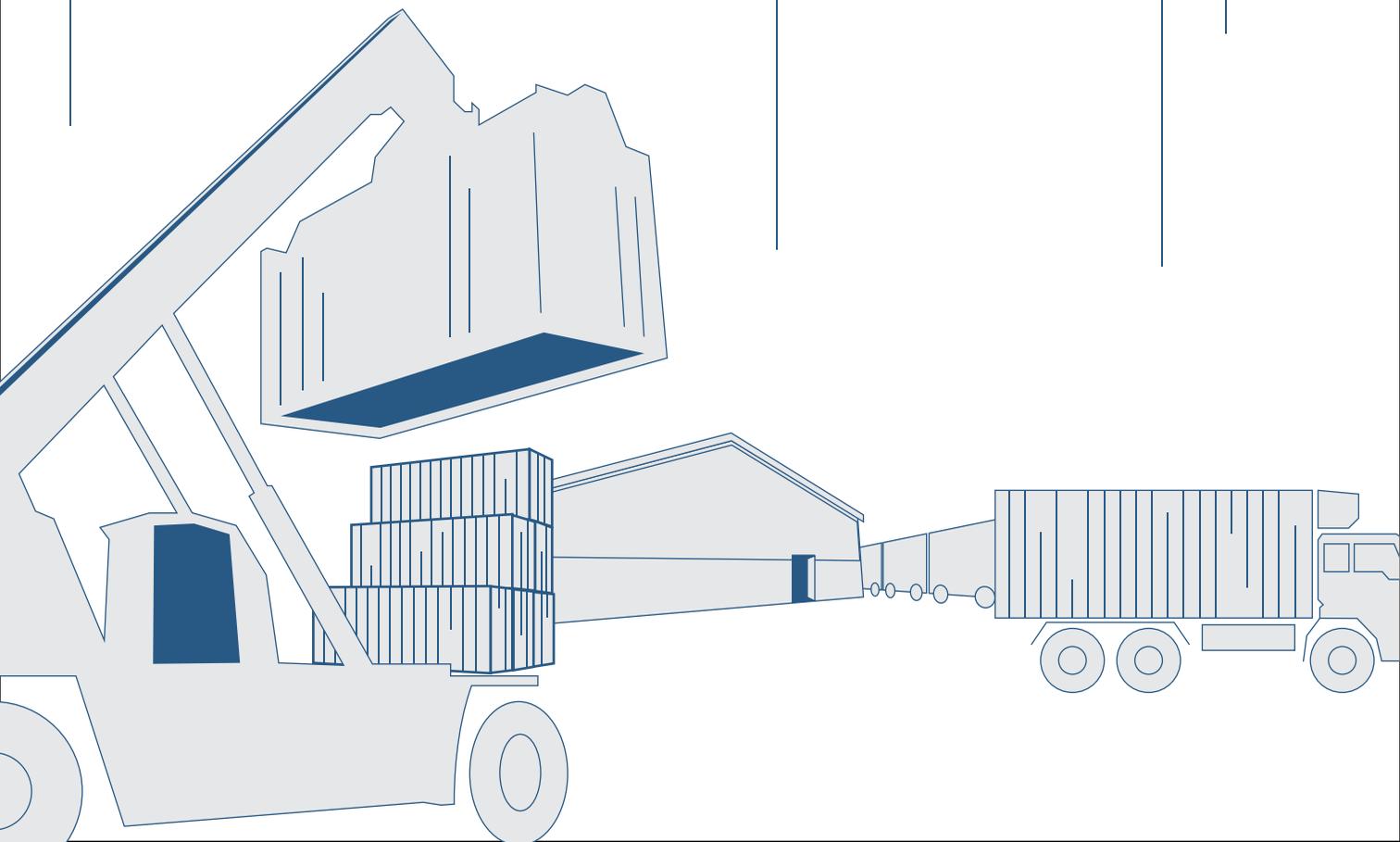




GATEWAY DISTRI-PARKS LTD.

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.



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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		Employee Compensation costs would increase by Rs. 3.33 million
	Impact on PAT Rs. million		Decrease in PAT by Rs. 2.67 million
	Impact on EPS (Rs./ Share)		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.

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 for the purpose of registering complaints by investors.

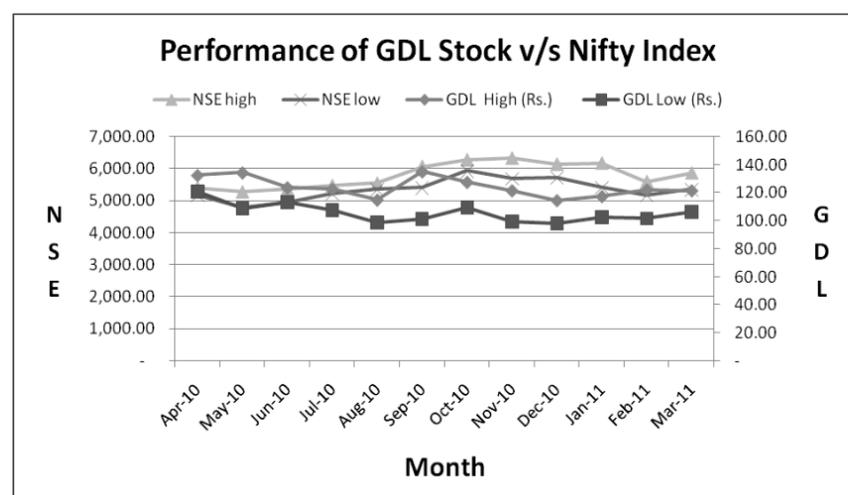
9. General Shareholder Information

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	Bombay Stock Exchange Limited, Mumbai Code 532622 National Stock Exchange of India Ltd., Mumbai Symbol GDL
ISIN Number for NSDL and CDSL	INE852F01015
Market Price Data High, Low during each month in last Financial Year	Please see Annexure 'A'
Stock Performance	Please see Annexure '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: rnt.helpdesk@linkintime.co.in
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 Annexure 'C'
Dematerialisation of shares and liquidity	96.60 % 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: rnt.helpdesk@linkintime.co.in

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
Total	43,262	100.00	107,999,832	100.00

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%
	TOTAL	107,999,832	100.00%

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

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.

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

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.
SOURCES OF FUNDS			
Shareholders' Funds			
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
Loan Funds			
Secured Loans	C	92,710,427	158,853,212
Deferred Tax Liabilities (Net)			
	D	110,392,742	174,008,990
		6,992,751,704	7,016,987,092
APPLICATION OF FUNDS			
Fixed Assets			
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
Investments			
	F	2,957,044,945	2,917,044,945
Current Assets, Loans and Advances			
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
Less: Current Liabilities and Provisions			
Liabilities	K	149,545,183	91,037,294
Provisions		413,726,308	277,279,700
		563,271,491	368,316,994
		2,230,650,303	1,555,893,371
		6,992,751,704	7,016,987,092
Notes to Accounts			
	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 Price Waterhouse		For and on behalf of the Board of Directors	
Firm Registration No. 301112E			
Chartered Accountants			
	Gopinath Pillai	Prem Kishan Gupta	
	Chairman	Deputy Chairman and	
		Managing Director	
Uday Shah			
Partner			
Membership No. F-46061			
	R. Kumar		
	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 Rs.	2009-2010 Rs.
INCOME			
Income from Operations	L	1,830,089,069	1,585,712,975
Other Income	M	84,936,164	83,988,842
		1,915,025,233	1,669,701,817
EXPENDITURE			
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
		1,057,902,823	951,271,975
Profit before Taxation		857,122,410	718,429,842
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
Profit after Taxation		848,345,957	772,089,586
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
Profit and Loss Account Balance Carried to Balance Sheet		1,821,423,644	1,813,665,713
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 Price Waterhouse	For and on behalf of the Board of Directors		
Firm Registration No. 301112E			
Chartered Accountants			
	Gopinath Pillai	Prem Kishan Gupta	
	Chairman	Deputy Chairman and Managing Director	
Uday Shah			
Partner			
Membership No. F-46061			
	R. Kumar		
	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 Rs.	2009-2010 Rs.
A. Cash flow from operating activities:			
Profit before Taxation		857,122,410	718,429,842
Adjustment for:			
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)
Operating profit before working capital changes		979,958,728	842,306,857
Adjustments for change in working capital:			
- 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)
Cash generated from operations		1,044,128,634	843,720,549
- Taxes Paid		192,233,887	115,894,740
Net cash from operating activities	(A)	851,894,747	727,825,809
B. Cash flow from investing activities:			
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
Net cash from / (used in) investing activities	(B)	529,529,633	(388,072,705)
C. Cash flow from financing activities:			
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)
Net cash used in financing activities	(C)	(700,649,715)	(364,888,761)
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C)	680,774,665	(25,135,657)
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
Net Increase / (Decrease) in Cash and Cash Equivalents		680,774,665	(25,135,657)
		31.03.2011	31.03.2010
	Rs.	Rs.	Rs.
Cash and Cash Equivalents comprise:			
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
Cash and Cash Equivalents at the year-end		881,754,008	200,979,343

Cash Flow Statement for the year ended March 31, 2011

Notes:		
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 Price Waterhouse Firm Registration No. 301112E Chartered Accountants	For and on behalf of the Board of Directors	
	Gopinath Pillai Chairman	Prem Kishan Gupta Deputy Chairman and Managing Director
Uday Shah Partner Membership No. F-46061	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	

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

	31.03.2011	31.03.2010
	Rs.	Rs.
"A" Capital		
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
	1,079,998,320	1,079,049,010
Notes:		
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" Reserves and Surplus		
Securities Premium Account		
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
	3,342,640,677	3,332,293,483
Capital Redemption Reserve		
Opening Balance	78,834,120	78,834,120
	78,834,120	78,834,120
General Reserve		
Opening Balance	371,875,880	294,665,880
Add: Transfer from Profit and Loss Account	84,840,000	77,210,000
	456,715,880	371,875,880
Profit and Loss Account Balance	1,821,423,644	1,813,665,713
Employees Stock Options Plan (ESOP) Outstanding (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)
	10,035,894	8,406,684
	5,709,650,215	5,605,075,880

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		Additions / Adjustments during the year	Deductions / Adjustments during the year	As at	Up to		Depreciation for the year	Deductions / Adjustments during the year	Up to		Net Book Value
	31.03.2010	Rs.				31.03.2010	Rs.			31.03.2011	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	284,000,000
Tangible Assets												
Freehold Land	374,509,751		-	341,744,589	32,765,162	-	-	-	-	-	32,765,162	374,509,751
Leasehold Land	268,258,705		-	-	268,258,705	53,316,328	4,470,980	-	-	57,787,308	210,471,397	214,942,377
Buildings	1,394,481,022		24,574,979	1,99,972,340	1,219,083,661	360,122,446	49,045,591	28,956,169	380,211,868	838,871,793	1,034,358,576	
Electrical Installations	45,442,157		-	-	45,442,157	13,964,107	2,572,396	-	-	16,536,503	28,905,654	31,478,050
Rail Siding (Refer Note 1 below)	85,805,411		-	85,805,411	-	22,201,984	738,375	22,940,359	-	-	-	63,603,427
Plant and Machinery	4,811,801		-	-	4,811,801	1,929,927	228,560	-	-	2,158,487	2,653,314	2,881,874
Yard Equipments (Refer Note 2 below)	469,174,588		69,730,578	208,538,916	330,366,250	124,440,829	26,511,859	65,760,970	85,191,718	245,174,552	344,733,759	
Office Equipments	14,481,349		-	-	14,481,349	4,026,168	787,704	-	-	4,813,872	9,667,477	10,455,181
Computers	28,845,536		4,842,679	-	33,688,215	21,841,661	2,451,934	-	-	24,293,595	9,394,620	7,003,875
Furniture and Fixtures	30,924,130		-	-	30,924,130	11,036,024	1,858,708	-	-	12,894,732	18,029,398	19,888,106
Vehicles (Refer Note 3 below)	162,391,764		125,638,840	1,151,185	288,879,419	111,488,278	29,523,454	698,029	140,313,703	146,565,716	50,903,486	
TOTAL	3,229,126,214		224,787,076	837,212,441	2,616,700,849	790,367,752	142,189,561	118,355,527	84,201,786	1,802,499,063	2,438,758,462	
Previous year	3,220,980,553		29,458,717	21,315,056	3,229,126,214	649,601,381	149,821,694	9,055,323	790,367,752	2,557,393	105,290,314	
Capital Work-in-Progress [Including Capital Advance Rs. 2,557,393 (Previous year: Rs. 3,809,156)]												1,805,056,456
Notes:												
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.
"F" Investments		
[Refer Note 1(iv) - Schedule "Q"]		
(At Cost - Long Term, Unquoted, Trade)		
In Subsidiary Companies		
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
	2,827,044,945	2,767,044,945
Current Investment (at lower of Cost and Net Asset Value) (Non-Trade and Unquoted)		
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
Total	2,957,044,945	2,917,044,945
Note:	Units	Cost Rs.
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
"G" Sundry Debtors		
[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
	45,110,923	53,752,412

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

"H" Cash and Bank Balances		
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]		
	881,754,008	200,979,345
"I" Other Current Assets		
(Unsecured)		
Accrued Interest on Fixed Deposits with Banks	6,770,954	1,485,264
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"]	7,028,451	7,028,451
	32,314,073	18,271,145
"J" Loans and Advances		
(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	1,300,417,713
- 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
	1,834,742,790	1,651,207,465