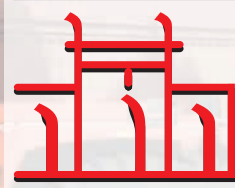
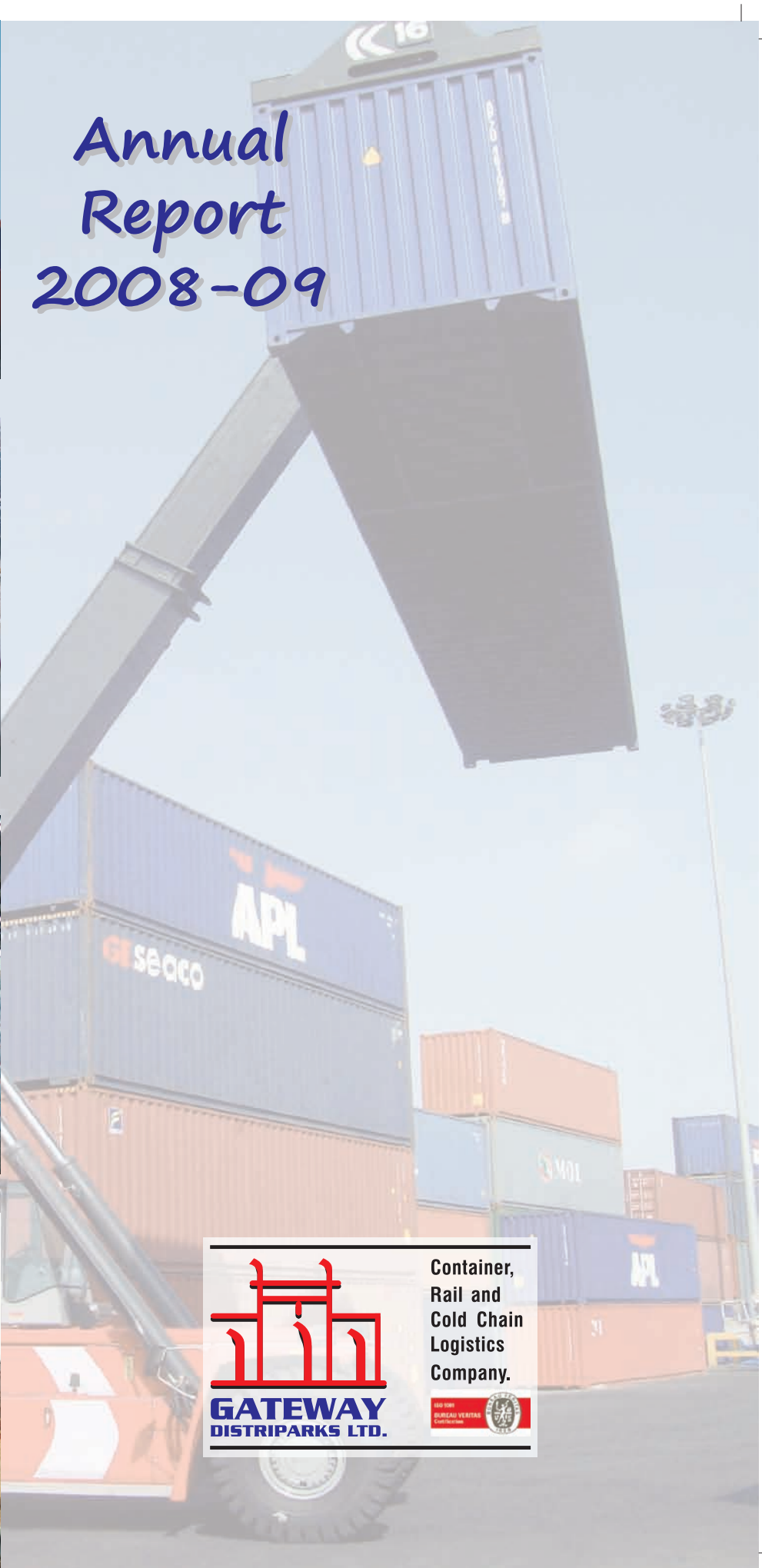


# Annual Report 2008-09



**GATEWAY**  
DISTRI PARKS LTD.

Container,  
Rail and  
Cold Chain  
Logistics  
Company.



# Chairman's Statement



## Performance in FY 2009

FY 2009 has been a year of consolidation and rapid growth for our various businesses. Our consolidated revenues grew by 62% from Rs.2.86 billion in the preceding year to Rs.4.63 billion in FY 2009.

During the year, major initiatives taken to diversify into new high growth areas and to expand existing CFS business, resulted in:

- 252% increase in Income of Gateway Rail Freight Limited from container rail operations with the deployment of container rakes on the Indian Railways network.
- 25 % increase in Profit after tax from the CFS operations of GDL from its two large CFS facilities at JNPT, India's premier container port.
- 28% increase in Profit after tax from the CFS operations of 100% subsidiary company at Chennai.

### a) CFS business:

Despite the unfavorable global economic environment, from the later half of FY 2009, our CFS business maintained its throughput at 324,407 TEUs during FY 2009 (FY 2008 - 330,834 TEUs). All our CFSs at JNPT, Chennai and Visakhapatnam recorded strong growth in performance. We are now in the process of expanding capacity at our operational CFSs and setting up a new CFS at Kochi.



### b) Container Rail business:



GDL's subsidiary, Gateway Rail Freight Limited (GRFL) operates Rail linked terminals with Customs facilities (Dry ports) at Gurgaon and Ludhiana. It also provides rail and transport services from Navi Mumbai. GRFL is developing a terminal at Faridabad to cater to the needs of trade at NCR. GRFL owns and operates 15 container trains and 235 road trailers covering various domestic / EXIM routes across the country. GRFL also operates dedicated refrigerated container train services between NCR and Navi Mumbai.

### c) Cold Chain Logistics business:

Snowman Frozen Foods Ltd., which is a joint venture company with Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group Inc., Japan, is the only organized Pan India Cold Chain Logistics player in this growing business. We are in the process of consolidating the cold stores network and the refrigerated transport fleet across the country. The operations of the company have been revitalized and achieved profitability in FY 2009. The company is in the process of expanding capacity at its key locations.



## Future

EXIM Container traffic in Indian ports has shown impressive growth of 14 % per annum over the past decade. Despite the unfavorable global economic environment, the medium term prospects for EXIM trade from India are bright. Various initiatives from the Government for Public-Private



Partnership (PPP) in setting up logistics infrastructure will provide us with opportunities to consolidate and grow our CFS business.

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 has taken initiatives to set up dedicated freight corridors, which will boost rail traffic. We will augment our container train fleet, expand operations at our Inland Container Depots (ICD) near Gurgaon, and commence operations at new ICDs near Ludhiana and Faridabad, to become a dominant player in the container rail business.

Demand for cold chain logistics services encompassing cold stores and refrigerated transport has increased due to increase in consumption of perishable products and due to the supply chain requirements of retail chains. Our cold chain logistics business provides services to large FMCG companies and organized retail chains. We are setting up new cold stores and also increasing capacity at key locations and increasing the reach of our refrigerated transport services.

The global economic environment has been unfavorable since the later half of FY 2009. Recession in many of India's major trade partners, fall in commodity prices and unfavorable environment for raising finance has impacted India's growth and EXIM trade unfavorably. India faces additional challenges due to inadequate infrastructure and smaller scale of operations. Despite these challenges, the Indian economy is expected to grow by 7% reflecting the inherent strengths of Indian economy.

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

Our network of CFSs, ICDs, cold stores, container trains, fleet of trailers and strategic alliances & joint ventures, have provided GDL a pan-India integrated logistics infrastructure which we will leverage for strong growth in future.

### **Buy Back of Shares & Dividends**

The Company completed Buyback of equity shares from open market, by acquiring 7.88 million shares for an aggregate amount of Rs 640 million.

The Company has paid interim dividends totaling Rs.3 per equity share and the Board has recommended final dividend of Rs.0.50 per equity share, taking the total dividend for FY 2009 to Rs 3.50 per equity share of face value Rs.10 per share.

### **Acknowledgement**

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

I acknowledge with sincere thanks the continuing contributions made by the various stakeholders, my fellow Directors, our partners in various businesses, our customers who patronize our facilities, our dedicated employees and our esteemed shareholders.

**Gopinath Pillai**





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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. Karan Singh Thakral
5. Mr. Sat Pal Khattar
6. Mr. Kirpa Ram Vij
7. Mr. K.J.M. Shetty
8. Mr. M.P. Pinto
9. Mr. Saroosh Dinshaw
10. 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

### **B) REMUNERATION AND ESOP COMMITTEE**

1. Mr. M.P. Pinto Chairman of the Committee
2. Mr. Sat Pal Khattar
3. Mr. Karan Singh Thakral
4. Mr. Kirpa Ram Vij
5. Mr. Saroosh Dinshaw



## **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 Corpn. Ltd.  
Plot No. 2, Sector-2, Dronagiri Node, Uran, Navi Mumbai - 400 707

## **SUBSIDIARIES**

Gateway East India Private Limited, Visakhapatnam-530 003

Gateway Distriparks (South) Private Limited, New Manali, Chennai - 600 103

Gateway Rail Freight Limited, New Delhi - 110 048.

Gateway Distriparks (Kerala) Ltd., Kochi - 682 003.

Snowman Frozen Foods 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 2009.

### A. Financial Results

Sl. No	Particulars	2008-09 (Rs. Million)	2007-08 (Rs. Million)
1	Income from Operations and Other Income	2,092.86	1,758.47
2	Profit before Interest, Depreciation and taxes	1,229.80	1,001.74
3	Interest	7.03	0.62
4	Depreciation	149.53	133.47
5	Profit before Exceptional items & taxation	1,073.24	867.65
6	Provision for taxes	135.67	115.52
7	Profit after tax	937.57	752.13
8	Profit brought forward from previous year	1,163.17	959.65
9	Dividend	381.73	404.56
10	Tax on Dividend	64.87	68.75
11	Transfer to General Reserve	93.80	75.30
12	Profit carried to Balance Sheet	1,560.34	1,163.17

### B. Dividend

The Company has paid two Interim dividends of Rs. 1.50 per equity share each, totaling Rs. 3 per share amounting to Rs. 327.87 million for the financial year 2008-09. Your Directors recommend Final Dividend of Rs.0.50 per equity share, amounting to Rs.53.86 million for the financial year 2008-09. The Dividend Distribution Tax borne by the Company on the Interim and Final Dividends amounts to Rs. 64.87 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, compared to the overall growth in Export Import trade of 8% 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 containerized traffic handled out of India, by handling around 4 million Teus. The country's second biggest container port at Chennai handled over 1 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, liberalization 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 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 Frozen Foods 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 & ICD operations. There are no other primary / secondary segments in the Company's business.

**d) Outlook**

There has been a significant downturn in global trade during later half of 2008-09. We expect a recovery in Exim trade in later half of 2009-10. The expanded capacity of CFS at JNPT, increase in the business of rail movement of containers and growth in the emerging cold chain logistics business are expected to have 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:**

The Company's income from operations & other income grew by 19% from Rs. 1,758.47 million in 2007-2008 to Rs.2,092.86 million in 2008-2009. The company maintained its throughput at 247,618 Teus in 2008-09 (2007-08: 251,728 TEUs). The Profit before tax increased from Rs.867.65 million in 2007-08 to Rs.1,073.24 million in 2008-09 after providing for interest Rs.7.03 million (2007-08: Rs.0.62 million) and depreciation Rs.149.53 million (2007-08: Rs.133.47 million).

**Finance:**

During the year, HDFC Bank Limited sanctioned credit facilities comprising of term loan Rs.250 million, overdraft facility Rs.100 million and non-funded facilities Rs.400 million to the Company. The Company has availed Rs.100 million from the term loan facility sanctioned by HDFC Bank Limited. The Company has given guarantees in respect of loans Rs.1,939.11 million availed by subsidiary company Gateway Rail Freight Ltd.

During the year, the Company has bought back 7.88 million shares for an aggregate amount of Rs.640 million.

The income from interest on fixed deposits with banks and investments reduced from Rs.89.41





million in 2007-08 to Rs.36.86 million in 2008-09, as the available funds were deployed for buyback of shares and capital expenditure during 2008-09.

**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 had staff strength of 150 as on 31st March 2009, compared to 136 employees as on 31st March 2008.

**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)**

During the year, the Company increased its shareholding in GEIPL to 100% from 74% in 2007-08. GEIPL is engaged in the business of running a CFS at Visakhapatnam. GEIPL's Income grew by 60% to Rs 74.98 million in 2008-09 from Rs. 46.73 million in 2007-08. Profit after tax for the financial year 2008-09 was Rs.9.13 million as against loss of Rs.4.00 million for 2007-08.

❑ **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. GDSPL's Income grew by 20% to Rs 294.05 million in 2008-09 from Rs. 245.67 million in 2007-08. Profit after tax for the financial year 2008-09 was Rs.112.26 million as against Rs.87.76 million for 2007-08.

❑ **GATEWAY RAIL FREIGHT LIMITED (GRFL)**

During the year, the Company increased its shareholding in GRFL to 89.18% from 82.97% in 2007-08. GRFL is engaged in the business of operating container trains and rail linked ICD at Garhi Harsaru. Income grew by 252% to Rs 1,837.84 million in 2008-09 from Rs. 521.97 million in 2007-08. Loss for the financial year 2008-09 was Rs.262.94 million as against Rs. 82.72 million in 2007-08. The loss is after providing for depreciation / amortisation Rs.212.34 million (2007-08: Rs. 82.73 million) on rakes, trailers and railway registration fees and interest on loans Rs.192.48 million (2007-08: 15.84 million). GRFL plans to construct Rail linked Inland Container Depot (ICD) on the plots of land acquired at Sahnewal in Punjab and at Faridabad in Haryana and deploy its rolling stock of rakes to carry containers for both domestic and export import trade on Indian Railways network.

❑ **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. hold 40% shareholding in this Joint venture company. GDKL has entered into a Joint venture with a CFS at Cochin to handle export import of containers at the fast growing port of Kochi. Loss for the financial year 2008-09 was Rs.0.85 million as against loss of Rs. 1.03 million for 2007-08.

❑ **SNOWMAN FROZEN FOODS LIMITED (SFFL)**

The Company together with a third party has acquired 50.1% shareholding in SFFL, which operates cold stores and fleet of refrigerated trucks at the various major cities across the country. SFFL has 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. SFFL's Income grew by 15% to Rs 347.87 million in 2008-09 from Rs. 301.38 million in 2007-08. Profit after tax for the financial year 2008-09 was Rs.15.09 million as against Rs.0.19 million for 2007-08. The Company is in the process of refurbishing its operations and



has plans to expand its cold stores to new locations. Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group of Japan are the other major shareholders in this joint venture company.

The Company is in the process of confirming and reconciling receivables from Consignment parties (provision for loss – Rs.6.39 million), sundry debtors – Rs.104.15 million (provision for doubtful debts – Rs.36.16 million) and for pilot project for fruits & vegetable supply chain - Rs.5.25 million. The provisions made are considered to be adequate to cover any short recoveries of these receivables.

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>ESOP-I (2005-2006)</b>	<b>ESOP-II (2006-2007)</b>	<b>ESOP-III (2007-2008)</b>
a.	Options granted (excluding cancelled options)	Options for 132,798 Equity shares	Options for 261,312 Equity shares	Options for 280,625 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
c.	Options vested	132,798	195,581	112,250
d.	Options exercised	33,800	118,875	-
e.	Total number of shares arising from exercise of options	33,800	118,875	-
f.	Options lapsed	-	-	-
g.	Variation of terms of options	-	-	-
h.	Amount realized by exercise of options	Rs.5.04 million	Rs.11.34 million	-
i.	Total number of options in force as on 31-3-2009	Options for 98,998 Equity shares	Options for 142,437 Equity shares	Options for 280,625 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
	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
	c) Mr. A.K. Bhattacharjee, Vice-President (Operations)	-	-	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
	b) Mr. Subhash Maini, Deputy General Manager (Operations)	-	-	Options for 20,000 Equity shares
	c) Mr. Himangsu Roy, Senior Manager (Operations)	-	-	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.8.35 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 reduce by Rs. 1.23 million  Increase in PAT by Rs. 1.09 million Basic / Diluted EPS would increase from Rs.8.35 per share to Rs.8.36 per Equity share		
m. (i)	Weighted Average Exercise Price of options	Rs.104.58 per option for equity Share		
m.(ii)	Weighted Average Fair Value of options	Rs. 7.15 per option for equity Share		
n.	Assumptions used to estimate fair value using Black Scholes option pricing model  (i) Risk free interest rate (ii) Expected life (iii) Expected volatility (iv) Expected dividend  (v) Market Price of share at the time of grant of option	7% Upto 4 years 23.54% Rs.3.50 per Equity share		
		<b>ESOP-I (2005-2006)</b>	<b>ESOP-II (2006-2007)</b>	<b>ESOP-III (2007-2008)</b>
		Rs.204.55	Rs.170.70	Rs.116.15

## F. Directors

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. M.P. Pinto, Mr. Saroosh Dinshaw 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.

The term of office of Mr. Prem Kishan Gupta, Managing Director expired on 19 July 2009. The Board of Directors at their meeting held on 24 June 2009 reappointed Mr. Prem Kishan Gupta as Managing Director for a term of 3 years till 19 July 2012. Your Directors recommend reappointment of Mr. Prem Kishan Gupta as Managing Director in the forthcoming AGM.

## 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:-

- that in the preparation of the annual accounts for the year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- that such accounting policies as mentioned in Note I of Schedule "Q" of the Annual Accounts have been applied consistently and judgments 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 2009 and of the profit of the Company for that period.
- that 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.
- that the annual accounts for the year ended 31st March 2009 have been prepared on a 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 are 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 Global Depository Receipts of the Company are listed on Bourse de Luxembourg, 11, Avenue de la Porte-Neuve, B.P. 165, Luxembourg, Grand Duchy of Luxembourg and are admitted for trading on London Stock Exchange plc, 10, Paternoster Square, London EC4M 7LS. 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 optimization 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:<br>(including Capital items) | Rs. 75.09 million (2007-08: Rs.43.72 million) |
| ii) Earnings in foreign currency :                               | Nil   |

**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.

For and on behalf of the Board of Directors

Place: Delhi  
Date: 24 June 2009

**Gopinath Pillai**  
Chairman



## ANNUAL REPORT 2008 - 2009

### 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

The Board of Directors comprises of ten Directors. Apart from the Managing Director, all the other nine Directors are Non-Executive Directors. Of the ten Directors, six Directors represent the Promoters group viz. Windmill International Pte Limited, Parameswara Holdings Limited, Thakral Corporation Limited and Prism International Private Limited, the other four Directors are Independent Directors.

Securities and Exchange Board of India ("SEBI") vide its Circular SEBI/CFD/DIL/CG/1/2008/08/04 ("April 2008 Circular") dated April 8, 2008 amended the sub-clause I (A) of clause 49 of the Listing Agreement. As per amendment, if non-executive chairman of Board of Directors is a promoter, atleast one half of the Board of Directors should consist of independent directors. Further for existing listed company, SEBI vide its circular SEBI/CFD/DIL/CG/2/2008/23/10 dated October 23, 2008, extended the compliance of April 2008 Circular on or before March 31, 2009. During April 8, 2008 to March 31, 2009, the numbers of independent directors in the Board of Directors were lower than fifty percent of total strength of Board of Directors as required under sub-clause I (A) of clause 49 of the Listing Agreement and the Company is in process of complying with the April 2008 Circular. Non-compliance with requirements of Listing Agreement may lead to penalties as prescribed under Section 23(2) of the Securities Contracts (Regulation) Act, 1956.

##### (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	6	YES
Mr. Prem Kishan Gupta	Deputy Chairman and MD	6	YES
Mr. Arun Agarwal	NED	5	YES
Mr. Shabbir Hassanbhai	NED	5	YES
Mr. Karan Singh Thakral	NED	6	YES
Mr. Sat Pal Khattar	NED	6	YES
Mr. K. J. M. Shetty	NED (I)	6	YES
Mr. M. P. Pinto	NED (I)	6	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
Mr. Gopinath Pillai	4	1	-
Mr. Prem Kishan Gupta	3	1	1
Mr. Arun Agarwal	1	-	-
Mr. Shabbir Hassanbhai	4	1	1
Mr. Karan Singh Thakral	7	-	-
Mr. Sat Pal Khattar	9	1	-
Mr. K. J. M. Shetty	3	3	-
Mr. M. P. Pinto	7	4	-
Mr. Kirpa Ram Vij	-	-	-
Mr. Saroosh Dinshaw	1	1	-

\* 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, 2008 to March 31, 2009:

Sr. No.	Date
1	April 29, 2008
2	June 26, 2008
3	July 25, 2008
4	September 22, 2008
5	October 23, 2008
6	January 22, 2009

### 3. Audit Committee

- i) Composition, number of Meetings and Attendance

The Audit Committee comprises of four Directors, of which three 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) and Mr. Saroosh Dinshaw (Independent director) are the other three Members of the Committee.

During the year, five Audit Committee Meetings were held on April 29, 2008, June 26, 2008, July 25, 2008, October 23, 2008 and January 21, 2009. 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 2008-2009	No. of Meetings attended
1.	Mr. K. J. M. Shetty	5
2.	Mr. Gopinath Pillai	5
3.	Mr. M. P. Pinto	5
4	Mr. Saroosh Dinshaw	5

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 meeting.

Details of remuneration paid to the executive and non-executive directors for the year April 1, 2008 to March 31, 2009.

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	2,500,000	Nil	3 years w. e. f. July 20, 2009
Mr. Gopinath Pillai	Nil	2,500,000	Nil	N. A.
Mr. Shabbir Hassanbhai	Nil	2,000,000	Nil	N. A.
Mr. Karan Singh Thakral	Nil	600,000	Nil	N. A.
Mr. Sat Pal Khattar	Nil	600,000	Nil	N. A.
Mr. K. J. M. Shetty	Nil	1,000,000	Nil	N. A.
Mr. M. P. Pinto	Nil	1,000,000	Nil	N. A.
Mr. Kirpa Ram Vij	Nil	600,000	Nil	N. A.
Mr. Saroosh Dinshaw	Nil	1,000,000	Nil	N. A.
Mr. Arun Agarwal	Nil	600,000	Nil	N. A.

**5. Investors' Relations Committee**

i) Composition

This committee comprises of four Directors. Mr. K. J. M. Shetty is the Chairman of the Committee and Mr. Gopinath Pillai, Mr. M. P. Pinto 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 29, 2008, June 26, 2008, July 25, 2008, October 23, 2008 and January 21, 2009. 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 2008-2009	No. of Meetings attended
1.	Mr. K. J. M. Shetty	5
2.	Mr. Gopinath Pillai	5
3.	Mr. M.P. Pinto	5
4	Mr. Saroosh Dinshaw	5



- ii) Compliance Officer  
Mr. R. Kumar, Deputy Chief Executive Officer and Chief Finance Officer cum Company Secretary.

iii) Complaints

122 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, 2009.

**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
2005-2006	September 28, 2006	11.30 a.m.	Vishnudas Bhawe Natyagruha, Sector 16A, Vashi, Navi Mumbai – 400 705	Nil
2006-2007	September 20, 2007	11.30 a.m.	Vishnudas Bhawe Natyagruha, Sector 16A, Vashi, Navi Mumbai – 400 705	Nil
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 – 400703	1 Commission payable to Managing Director and Non Whole-time Directors.

- 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) and are also available on SEBI’s website <http://sebidifar.nic.in>.

Since the quarterly/ half year results are published in leading newspapers as well as displayed on 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	Monday, September 14 2009 at 10.30 a.m. at Silver Jubilee Hall, Second floor, Navi Mumbai Sports Association, Near MGM Hospital, Sector 1A, Vashi, Navi Mumbai – 400703				
Financial calendar	<ul style="list-style-type: none"> <li>i) Financial Year – April 1 to March 31</li> <li>ii) First Quarter Results – Last Week of July, 2009</li> <li>iii) Half Yearly Results – Last Week of October, 2009</li> <li>iv) Third Quarter Results – Last Week of January 2010</li> <li>v) Audited Results for the year 2008-2009 – Last Week of May/ June, 2010</li> </ul>				
Date of Book Closure	Friday, September 04, 2009 to Monday, September 14, 2009 (both days inclusive)				
Dividend Payment date	On or after September 24, 2009				
Listing of Stock Exchange	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"><b>Bombay Stock Exchange</b> Limited, Mumbai</td> <td style="width: 40%;"><b>Code</b> 532622</td> </tr> <tr> <td><b>National Stock Exchange</b> India Limited, Mumbai</td> <td><b>Symbol</b> GDL</td> </tr> </table>	<b>Bombay Stock Exchange</b> Limited, Mumbai	<b>Code</b> 532622	<b>National Stock Exchange</b> India Limited, Mumbai	<b>Symbol</b> GDL
<b>Bombay Stock Exchange</b> Limited, Mumbai	<b>Code</b> 532622				
<b>National Stock Exchange</b> India Limited, Mumbai	<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	<p>M/s. Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai – 400 078</p> <p>Contact Person : Mr. Mahesh Masurkar Telephone No. : 2594 6970 -78 Fax No. : 2594 6969 Email id: rnt.helpdesk@linktime.co.in</p>				
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 20 folios.				
Distribution of shareholding and shareholding pattern as on March 31, 2009	Please see <b>Annexure 'C'</b>				
Dematerialisation of shares and liquidity	<b>96.58%</b> per cent of the paid-up Share Capital has been dematerialised as on March 31, 2009.				
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 -78 Fax No. : 2594 6969 Email id : rnt.helpdesk@linktime.co.in
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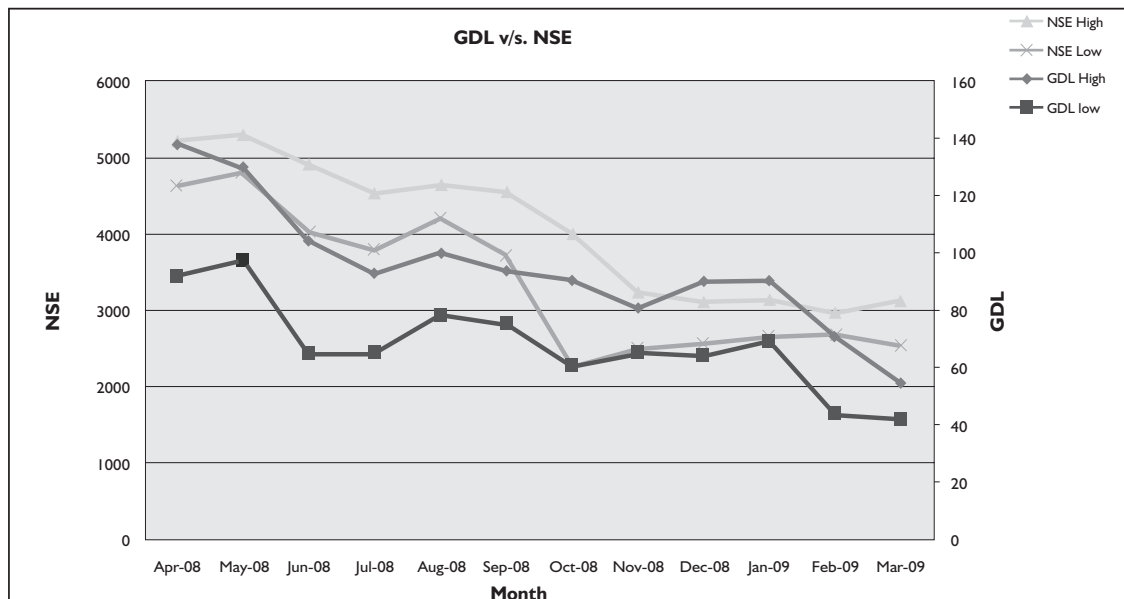
**Annexure 'A'**

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

Month	High (Rs.)	Low (Rs.)
Apr-08	138.00	92.00
May-08	130.00	97.50
Jun-08	104.30	64.55
Jul-08	92.85	65.15
Aug-08	99.90	78.25
Sep-08	93.90	75.20
Oct-08	90.50	60.60
Nov-08	81.00	65.10
Dec-08	90.00	64.40
Jan-09	90.50	69.00
Feb-09	71.00	43.80
Mar-09	54.75	42.00

**Annexure 'B'**

**Stock performance of the Company in comparison to NSE Sensex**





**Annexure 'C'**

**i) Distribution Schedule as on March 31, 2009**

Shares Held	No. of Holders	Percent	No. of Shares	Percent
1-500	53,912	91.45	6,639,532	6.16
501-1000	2,804	4.76	2,133,498	1.98
1001-2000	1,267	2.15	1,831,823	1.70
2001-3000	346	0.59	867,736	0.81
3001-4000	147	0.25	531,082	0.49
4001-5000	125	0.21	590,236	0.55
5001-10000	160	0.27	1,172,963	1.09
Above 10001	187	0.31	93,946,468	87.22
<b>Total</b>	<b>58,948</b>	<b>100.00</b>	<b>107,713,338</b>	<b>100.00</b>

**ii) Shareholding Pattern as On March 31, 2009**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1	Indian Promoters	22,946,436	21.30
2	Foreign Promoters	21,481,187	19.95
3	Persons acting in concert#	5,042,500	4.68
4	Mutual Funds & UTI	2,692,106	2.50
5	Banks, Financial Institutions, Insurance Co.'s	7,692,967	7.14
6	FIIS	17,426,849	16.18
7	Private Corporate Bodies	12,095,912	11.23
8	Indian Public	13,054,542	12.12
9	NRI/OCB's	1,253,939	1.16
10	Trusts	2,679,462	2.49
11	Any other		
	- Independent Directors	978,313	0.91
	- Clearing members	365,125	0.34
	- ESOPs	4,000	-
	<b>TOTAL</b>	<b>107,713,338</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	640,000
2	Mr. Shabbir Hassanbhai	415,000
3	Mr. Karan Singh Thakral	300,000
4	Mr. Sat Pal Khattar	3,300,000
5	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, 2009.

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

**Prem Kishan Gupta**

Deputy Chairman and Managing Director

Place: Delhi

Dated: June 24, 2009



## **AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

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, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the 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. *As mentioned in Paragraph 2(i) of the Report on Corporate Governance, the Company is in process of complying with amendments suggested in the provisions of sub-clause 1 (A) of Clause 49 of Listing Agreement vide Securities and Exchange Board of India ("SEBI") Circular SEBI/CFD/DIL/CG/1/2008/08/04 ("April 2008 Circular") dated April 8, 2008 in respect of composition of independent members of Board of Directors for the period April 8, 2008 to March 31, 2009. Non-compliance with requirements of Listing Agreement may lead to penalties as prescribed under Section 23(2) of the Securities Contracts (Regulation) Act, 1956.*
4. In our opinion and to the best of our information and according to the explanations given to us, *subject to clause 3 mentioned above*, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
5. 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.

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

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Place : Delhi  
Dated : June 24, 2009



## AUDITOR'S REPORT TO THE MEMBERS OF GATEWAY DISTRI PARKS LIMITED

1. We have audited the attached Balance Sheet of Gateway Distriparks Limited, as at March 31, 2009, 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, 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 said 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, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 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, 2009;
    - (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.

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

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Place : Delhi  
Dated : June 24, 2009



## ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Gateway Distriparks Limited on the financial statements for the year ended March 31, 2009]

- 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 a phased programme, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has 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 and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- 2 (a) The Company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Companies Act, 1956 of India ("the Act"). The maximum amount involved during the year and the year-end balance of such loan aggregates to Rs. 49,995,347 and Rs. Nil, respectively.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima-facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest.
- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) 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) and (iii) (g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company for the year.
- 3 In our opinion and according to the information and explanations given to us, having regard to explanation that certain items purchased are of 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, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 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, having regard to the explanation that certain services rendered are of 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 Rupees Five Lakhs in respect of 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, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and records of the Company examined by us, there were no dues of income-tax, sales-tax, wealth tax, service tax, customs duty and cess which have not been deposited on account of any dispute.
- 8 The Company has no accumulated losses as at March 31, 2009 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 by the Management, the Company has not defaulted in repayment of dues to any bank as at the Balance Sheet date. Further, there were no dues payable to financial institution and debenture holders during the year.
- 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 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 purpose 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 during the year.
- 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 such case by the Management.
- 20 The other clauses (ii) and (viii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the current year, since in our opinion, there is no matter which arises to be reported in the aforesaid order.

**Uday Shah**

Partner

Membership No.: F-46061

For and on behalf of

**Price Waterhouse**

Chartered Accountants

Place : Delhi

Dated : June 24, 2009



**BALANCE SHEET AS AT MARCH 31, 2009**

	Schedule Reference	31.03.2009 Rs.	31.03.2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	<b>A</b>	1,077,133,380	1,155,967,500
Reserves and Surplus	<b>B</b>	5,257,864,471	5,323,101,695
		6,334,997,851	6,479,069,195
<b>Loan Funds</b>			
Secured Loans	<b>C</b>	89,830,504	-
<b>Deferred Tax Liabilities (Net)</b>	<b>D</b>	166,380,090	153,437,970
<b>TOTAL</b>		<b>6,591,208,445</b>	<b>6,632,507,165</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	<b>E</b>	3,220,980,553	3,037,771,012
Less: Depreciation		649,601,381	520,461,853
Net Block		2,571,379,172	2,517,309,159
Capital Work-in-Progress		40,348,001	56,273,781
		2,611,727,173	2,573,582,940
<b>Investments</b>			
<b>Current Assets, Loans and Advances</b>	<b>F</b>	2,766,534,445	1,677,934,445
Sundry Debtors	<b>G</b>	61,319,901	60,098,445
Cash and Bank Balances	<b>H</b>	226,115,000	564,992,545
Other Current Assets	<b>I</b>	21,323,991	32,176,031
Loans and Advances	<b>J</b>	1,313,742,081	2,132,816,411
		1,622,500,973	2,790,083,432
<b>Less: Current Liabilities and Provisions</b>			
Liabilities	<b>K</b>	109,751,959	115,763,688
Provisions		299,802,187	293,329,964
		409,554,146	409,093,652
<b>Net Current Assets</b>		1,212,946,827	2,380,989,780
<b>TOTAL</b>		<b>6,591,208,445</b>	<b>6,632,507,165</b>
<b>Notes to Accounts</b>	<b>Q</b>		

The Schedules referred to herein above form an integral part of the Accounts.  
This is the Balance Sheet referred to in our report of even date.

**Uday Shah**  
Partner  
Membership No. F-46061  
For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

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: Delhi  
Date: June 24, 2009

Place: Delhi  
Date: June 24, 2009



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule Reference	2008-09 Rs.	2007-2008 Rs.
<b>INCOME</b>			
Income from Operations	L	2,035,633,166	1,650,226,599
Other Income	M	57,229,579	108,239,322
		<b>2,092,862,745</b>	<b>1,758,465,921</b>
<b>EXPENDITURE</b>			
Employee Costs	N	73,895,674	69,142,291
Operating Expenses	O	789,160,871	687,583,707
Depreciation/ Amortisation		149,527,758	133,472,525
Interest	P	7,032,644	614,412
		<b>1,019,616,947</b>	<b>890,812,935</b>
<b>Profit before Taxation</b>		<b>1,073,245,798</b>	<b>867,652,986</b>
Provision for Taxation (Refer Note 5 - Schedule "Q")			
Income Tax - Current Year		124,000,000	100,000,000
- Earlier Years		(2,660,779)	(5,380,620)
Fringe Benefit Tax		1,390,574	2,784,213
Deferred Tax		12,942,120	18,116,334
<b>Profit After Taxation</b>		<b>937,573,883</b>	<b>752,133,059</b>
Profit and Loss Account Balance Brought Forward		1,163,168,453	959,652,181
		2,100,742,336	1,711,785,240
Transfer to General Reserve		93,800,000	75,300,000
Interim Dividend paid		166,804,961	173,368,050
Proposed Interim Dividend		161,570,007	173,395,125
Proposed Final Dividend		53,856,669	57,798,375
Write back of Excess amount of Proposed Final Dividend for earlier year		(500,768)	-
Tax on Dividend		64,875,162	68,755,237
<b>Profit and Loss Account Balance Carried to Balance Sheet</b>		<b>1,560,336,305</b>	<b>1,163,168,453</b>
Earnings Per Share (Refer Note 10 - Schedule "Q")			
- Basic		8.35	6.51
- Diluted		8.35	6.50
<b>Notes to Accounts</b>	<b>Q</b>		

The Schedules referred to herein above form an integral part of the Accounts.  
This is the Profit and Loss Account referred to in our report of even date.

**Uday Shah**  
Partner  
Membership No. F-46061  
For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

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: Delhi  
Date: June 24, 2009

Place: Delhi  
Date: June 24, 2009



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**

	2008-2009 Rs.	2007-2008 Rs.
<b>A. Cash flow from operating activities :</b>		
Profit Before Taxation	1,073,245,798	867,652,986
<b>Adjustment for :</b>		
Depreciation	149,527,758	133,472,525
Provision for Doubtful Debts	-	6,856,303
Provision for ESOP Expenses	4,960,757	1,864,876
Advances Written-off	3,000,000	-
Interest Expense	7,032,644	614,412
Interest Income	(26,695,289)	(88,386,211)
Gain on redemption of current investments	(11,076,416)	(7,815,733)
Loss on Sale/ Discard of Fixed Assets	1,994,024	138,117
Provision for Employee Benefits	3,980,078	2,510,653
Provision for Doubtful Ground Rent	3,495,500	666,200
Provision for Contingencies	21,050,041	16,809,197
Write back of doubtful debt	(2,619,775)	-
Liabilities no Longer Required Written Back	(4,269,917)	(4,127,339)
<b>Operating profit before working capital changes</b>	<b>1,223,625,203</b>	<b>930,255,986</b>
<b>Adjustments for change in working capital:</b>		
- Decrease / (Increase) in Sundry Debtors	1,398,319	10,505,956
- Decrease / (Increase) in Loans and Advances	(21,630,477)	(16,772,980)
- Increase / (Decrease) in Trade and Other Payables	17,042,065	(17,568,813)
<b>Cash generated from operations</b>	<b>1,220,435,110</b>	<b>906,420,149</b>
- Taxes Paid	132,302,028	98,918,963
<b>Net cash from operating activities (A)</b>	<b>1,088,133,082</b>	<b>807,501,186</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of Fixed Assets (including Capital Work-in-Progress)	(194,379,458)	(487,352,958)
Sale of Fixed Assets	4,713,443	23,501
Decrease in preliminary / pre-operative Expenses	-	14,101,557
Purchase of Investments	(1,240,000,000)	(810,000,000)
Purchase of Shares in Subsidiary Companies	(46,800,000)	(30,000,000)
Sale of Investments	1,021,076,416	817,815,733
Share Application Money	(32,683,598)	(1,902,254,906)
Repayment of loan given to Subsidiary Company	49,995,347	598,565,718
Interest Received	31,055,579	94,396,438
<b>Net cash used in investing activities (B)</b>	<b>(407,022,271)</b>	<b>(1,704,704,917)</b>
<b>C. Cash flow from financing activities :</b>		
Proceeds from fresh Issue of Shares (net of share issue expenses)	-	15,040,895
Buyback of Shares	(639,999,953)	-
Borrowings/ (Repayment) of Secured Loans	89,830,504	(23,767,330)
Interest Paid	(6,220,478)	(654,359)
Payment of Dividend	(396,043,695)	(177,670,378)
Payment of Dividend Tax	(67,554,734)	(29,463,901)
<b>Net cash used in financing activities (C)</b>	<b>(1,019,988,356)</b>	<b>(216,515,073)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(338,877,545)</b>	<b>(1,113,718,804)</b>
Cash and Cash Equivalents at the beginning of the year	564,992,545	1,678,711,349
Cash and Cash Equivalents at the year end	226,115,000	564,992,545
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(338,877,545)</b>	<b>(1,113,718,804)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009 (Contd.)

	Rs.	31.03.2009 Rs.	31.03.2008 Rs.
<b>Cash and Cash Equivalents comprise:</b>			
Cash on Hand		321,867	237,046
Cheques on Handt		4,709,541	9,105,301
Balances with Scheduled Banks:			
- in Current Accounts	128,618,908		89,105,795
- in Unpaid Dividend Accounts	3,069,705		1,615,707
- in Unpaid Share Application Accounts	805,680		805,652
- in Unpaid Fractional Bonus Shares Account	89,299		90,685
- in Deposit Account	88,500,000		464,032,359
		221,083,592	555,650,198
<b>Cash and Cash equivalents as at year-end</b>		<b>226,115,000</b>	<b>564,992,545</b>

### 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. 88,500,000 (Previous year: Rs. 74,032,359) 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.

**Uday Shah**  
Partner  
Membership No. F-46061  
For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

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: Delhi  
Date: June 24, 2009

Place: Delhi  
Date: June 24, 2009





**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs	31.03.2008 Rs.
<b>“A” SHARE CAPITAL</b>		
<b>Authorised:</b>		
125,000,000 (Previous year: 125,000,000) Equity Shares of Rs. 10 each	1,250,000,000	1,250,000,000
<b>Issued and Subscribed:</b>		
107,713,338 (Previous year: 115,596,750) Equity Shares of Rs. 10 each, fully paid-up	1,077,133,380	1,155,967,500
	<b>1,077,133,380</b>	<b>1,155,967,500</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. Pursuant to the approval of the Board of Directors, for buy-back of Equity Shares under Section 77A of the Companies Act, 1956 of India (“the Act”) up to 10% of the paid-up Equity Share Capital and Free Reserves of the Company aggregating Rs. 640,000,000 at a maximum price of Rs. 110 per equity share, the Company has bought back 7,883,412 Equity Shares during the year through open market transactions for an aggregate amount of Rs. 639,999,953 by utilising the Securities Premium Account to the extent of Rs. 561,165,833 and General Reserve to the extent of Rs. 78,834,120. The Capital Redemption Reserve has been created out of General Reserve for Rs. 78,834,120 being the nominal value of equity shares bought back in terms of Section 77A of the Act.		
3. For Employee Stock Option Plan 2005 - Refer Notes I(ix) and 4 - Schedule “Q”.		
<b>“B” RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
Opening Balance	3,872,446,025	4,085,964,203
Received during the year	-	13,662,145
Transferred from Employees Stock Options Outstanding on exercise of ESOP	-	3,737,427
	3,872,446,025	4,103,363,775
Less: Utilised for allotment of fully paid bonus shares	-	230,917,750
Less: Utilised for Buy back of Shares (Refer Note 2 - Schedule “A” above)	561,165,833	-
	3,311,280,192	3,872,446,025
<b>Capital Redemption Reserve</b>		
Opening Balance	-	-
Add: Transfer from General Reserve on Buy back of Shares (Refer Note 2 - Schedule “A” above)	78,834,120	-
	78,834,120	-
<b>General Reserve</b>		
Opening Balance	279,700,000	204,400,000
Add: Transfer from Profit and Loss Account	93,800,000	75,300,000
Less: Transfer to Capital Redemption Reserve on Buy back of Shares	78,834,120	-
	294,665,880	279,700,000
<b>Profit and Loss Account Balance</b>	1,560,336,305	1,163,168,453



**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs	31.03.2008 Rs.
<b>Employees Stock Option Plan (ESOP) outstanding</b> (Refer Notes I(ix) and 4 - Schedule "Q")		
Opening Balance	7,787,217	9,659,768
Addition during the year	4,960,757	1,864,876
Less: Transferred to Securities Premium Account on exercise of ESOP	-	(3,737,427)
	<u>12,747,974</u>	<u>7,787,217</u>
	<u>5,257,864,471</u>	<u>5,323,101,695</u>
<b>"C" SECURED LOANS</b>		
<b>Term Loans</b>		
- From Banks (Refer Note I below)	89,830,504	-
<b>Note:</b>		
I. Term Loan of Rs. 89,830,504 (Previous year: Rs. Nil) from HDFC Bank Limited is 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 machineries, fixtures and fittings, constructed, installed or erected thereon. [Term Loan repayable within one year Rs. 20,338,992 (Previous year: Rs. Nil)]		
	<u>89,830,504</u>	<u>-</u>
<b>"D" DEFERRED TAX LIABILITIES (NET)</b>		
[Refer Note I(viii) - Schedule "Q"]		
Deferred Tax Liabilities		
Timing difference between book and tax depreciation	166,380,090	153,437,970
	<u>166,380,090</u>	<u>153,437,970</u>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

**“E” FIXED ASSETS**

[Refer Notes I(ii) and I(iii) - Schedule “Q”]

Particulars	As at 01.04.2008		Additions/ Adjustments during the year		Deductions/ Adjustments during the year		As at 31.03.2009		Up to 01.04.2008		Depreciation/ Amortisation for the year		Deductions/ Adjustments during the year		Up to 31.03.2009		Net Book Value		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Intangible Assets</b>																			
Punjab Conware's Container Freight Station - Upfront Fees	350,000,000	-	-	-	-	-	350,000,000	-	18,000,000	24,000,000	-	42,000,000	-	-	-	-	-	308,000,000	332,000,000
<b>Tangible Assets</b>																			
Freehold Land	373,193,376	-	-	-	-	-	373,193,376	-	44,374,369	4,470,980	-	48,845,349	-	-	-	-	373,193,376	373,193,376	
Leasehold Land	268,258,705	-	-	-	-	-	268,258,705	-	249,163,440	55,530,232	-	304,693,672	-	-	-	-	219,413,356	223,884,336	
Buildings	1,298,064,795	79,519,991	-	-	-	-	1,377,584,786	-	8,843,269	2,648,819	-	11,492,088	-	-	-	-	1,072,891,114	1,048,901,355	
Electrical Installations	41,496,484	5,448,703	-	-	-	-	46,945,187	-	13,341,496	4,430,244	-	17,771,740	-	-	-	-	68,033,671	72,463,915	
Rail Siding (Refer Note 1 below)	85,805,411	-	-	-	-	-	85,805,411	-	1,472,807	228,560	-	1,701,367	-	-	-	-	3,110,434	3,338,994	
Plant and Machinery (Refer Note 2 below)	390,310,639	81,892,436	2,371,789	-	-	-	469,831,286	-	72,864,844	24,924,504	-	97,135,795	-	-	-	-	372,695,491	317,445,795	
Office Equipments	12,192,641	2,709,762	324,915	-	-	-	14,577,488	-	2,599,252	755,675	-	3,275,677	-	-	-	-	11,301,811	9,593,389	
Computers	26,724,099	2,756,952	1,091,650	-	-	-	28,389,401	-	17,851,215	2,710,982	-	19,470,547	-	-	-	-	8,918,854	8,872,884	
Furniture and Fixtures	18,053,490	14,475,884	-	-	-	-	32,529,374	-	7,124,378	2,244,662	-	9,369,040	-	-	-	-	23,160,334	10,929,112	
Vehicles (Refer Note 3 below)	168,859,571	23,501,510	23,307,343	-	-	-	169,053,738	-	84,826,783	27,583,100	-	93,846,106	-	-	-	-	75,207,632	84,032,788	
<b>TOTAL</b>	<b>3,037,771,012</b>	<b>210,305,238</b>	<b>27,095,697</b>	<b>3,220,980,553</b>	<b>570,461,853</b>	<b>149,527,758</b>	<b>20,388,230</b>	<b>649,601,381</b>	<b>2,571,379,172</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>	<b>2,517,309,159</b>
Previous year	2,241,300,511	797,979,177	1,508,676	3,037,771,012	388,336,386	133,472,525	520,461,853	40,348,001	56,273,781	2,611,727,173	2,573,582,940	2,611,727,173	2,573,582,940	2,611,727,173	2,573,582,940	2,611,727,173	2,573,582,940	2,611,727,173	2,573,582,940
Capital Work-in-Progress [Including Capital Advance Rs. 4,958,000 (Previous year: Rs. 53,273,781)]																			

**Notes:**

1. Railway Siding includes Rs. 70,471,534 (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. 410,880,282 (Previous year: Rs. 339,007,887) and having Net Book Value Rs. 327,730,821 (Previous year: Rs. 277,688,532).
3. Vehicles include Trailors Costing Rs. 157,110,021 (Previous year: Rs. 155,623,876) and having Net Book Value Rs. 66,196,027 (Previous year: Rs. 74,284,044).

**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs	31.03.2008 Rs.
<b>"F" INVESTMENTS</b>		
[Refer Notes I(iv) and I6 - Schedule "Q"] (At Cost - Long Term, Unquoted, Trade)		
<b>In Subsidiary Companies</b>		
8,000,000 (Previous year: 1,665,000) Equity Shares of Rs. 10 each fully paid in Gateway East India Private Limited [Purchased during the year Rs. 115,100,000 (6,335,000 Equity Shares), Previous Year Rs. Nil ( Nil Equity Shares)]	148,400,000	33,300,000
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
178,350,000 (Previous year: 104,000,000) Equity Shares of Rs. 10 each fully paid in Gateway Rail Freight Limited [Purchased during the year: Rs. 743,500,000 (74,350,000 Equity Shares), Previous Year Rs. 30,000,000 ( 3,000,000 Equity shares)]. [103,999,899 (Previous Year Nil) Equity Shares are pledged with lenders for loans given by them to Gateway Rail Freight Limited]	1,783,500,000	1,040,000,000
40,298,619 (Previous year: 40,298,619) Equity Shares of Rs. 10 each fully paid in Snowman Frozen Foods Limited	470,053,678	470,053,678
30,000 (Previous year: 30,000) Equity Shares of Rs. 10 each fully paid in Gateway Distriparks (Kerala) Limited	300,000	300,000
	<b>2,536,534,445</b>	<b>1,677,934,445</b>
<b>Current and Unquoted (at lower of Cost and Net Asset Value) (Non-Trade)</b>		
13,037,514 (Previous year : Nil) units of HDFC Liquid Fund - Premium Plus Plan - Growth [ Net Assets Value Rs. 230,297,255 ( Previous Year Rs. Nil)]	230,000,000	-
	<b>2,766,534,445</b>	<b>1,677,934,445</b>
	<b>Units</b>	<b>Cost Rs.</b>
Note: The following investments were purchased and sold during the year 2008-2009: - HDFC Liquid Fund-Premium Plus Plan - Growth	59,809,154	1,010,000,000
<b>"G" SUNDRY DEBTORS</b>		
[Unsecured]		
Debts Outstanding for a Period exceeding Six Months		
- Considered Good	945,162	149,970
- Considered Doubtful	12,358,681	21,997,975
	13,303,843	22,147,945
Other Debts		
- Considered Good	60,374,739	59,948,475
- Considered Doubtful	2,057,612	4,721,810
	75,736,194	86,818,230
Less: Provision for Doubtful Debts	14,416,293	26,719,785
	<b>61,319,901</b>	<b>60,098,445</b>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	<b>31.03.2009 Rs</b>	<b>31.03.2008 Rs.</b>
<b>"H" CASH AND BANK BALANCES</b>		
Cash on Hand	321,867	237,046
Cheques on Hand	4,709,541	9,105,301
Balances with Scheduled Banks:		
- in Current Accounts	128,618,908	89,105,795
- in Unpaid Dividend Accounts	3,069,705	1,615,707
- in Unpaid Share Application Accounts	805,680	805,652
- in Unpaid Fractional Bonus Shares Account	89,299	90,685
- in Fixed Deposit Accounts	88,500,000	464,032,359
[Under lien with banks Rs. 88,500,000 (Previous year: Rs. 74,032,359) towards guarantee issued by them and loans given to subsidiaries]		
	<b>226,115,000</b>	<b>564,992,545</b>
<b>"I" OTHER CURRENT ASSETS</b>		
(Unsecured)		
Accrued Interest on Fixed Deposits with Banks	2,203,391	6,563,681
Accrued Ground Rent		
- Considered Good	19,120,600	25,612,350
- Considered Doubtful	14,283,500	10,788,000
	33,404,100	36,400,350
Less: Provision for Doubtful Ground Rent	14,283,500	10,788,000
	19,120,600	25,612,350
	<b>21,323,991</b>	<b>32,176,031</b>
<b>"J" LOANS AND ADVANCES</b>		
(Unsecured and Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	27,996,729	16,424,950
Balances with Excise and Custom Authorities	2,779,080	14,564,173
Share Application in a Subsidiary Company		
- Gateway Rail Freight Limited	1,140,945,981	1,872,811,700
- Gateway Distriparks (Kerala) Limited	119,700,000	119,700,000
- Gateway East India Private Limited	1,764,087	49,014,770
Loan to a Subsidiary Company (Gateway Distriparks (South) Private Limited)	-	49,995,347
Security Deposits - Others	4,309,800	3,519,800
Tax Deducted at Source and Advance Tax [Net of Provision for Tax Rs. 325,700,000 (Previous Year Rs. 201,700,000)]	16,246,404	6,785,671
[Refer Notes 5 and 6 - Schedule "Q"]		
	<b>1,313,742,081</b>	<b>2,132,816,411</b>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs	31.03.2008 Rs.
<b>"K" CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors (Refer Note 17 - Schedule "Q")		
- Due to Micro Enterprises and Small Enterprises	-	-
- Due to Others	72,649,800	84,936,332
Security Deposits Received	3,276,877	3,287,267
Income Received in Advance	290,363	-
Advances from Customers	20,460,137	18,984,775
Auction Surplus [Refer Note 1(vii)(b) - Schedule "Q"]	4,859,993	2,294,853
Interest Accrued but not Due on Term Loans	812,166	-
Unpaid Dividend *	3,069,705	1,615,707
Unpaid Share Application Accounts *	805,680	805,652
Unpaid Fractional Bonus Shares *	89,299	90,685
Other Liabilities	3,437,939	3,748,417
	<b>109,751,959</b>	<b>115,763,688</b>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
<b>Provisions</b>		
Wealth Tax	71,000	70,000
Fringe Benefit Tax	-	112,500
[Net of Advance Tax Rs. Nil (Previous year: Rs. 2,651,713)]		
Proposed Interim Dividend	161,570,007	173,395,125
Proposed Final Dividend	53,856,669	57,798,375
Tax on Dividend	36,611,764	39,291,336
Employee Benefits [Refer Notes 1 (vi) and 15 - Schedule "Q"]		
- Leave Encashment	4,375,148	2,515,562
- Gratuity (Net)	5,458,361	3,337,869
Contingencies ( Refer Note 21 - Schedule "Q")	37,859,238	16,809,197
	<b>299,802,187</b>	<b>293,329,964</b>
<b>TOTAL</b>	<b>409,554,146</b>	<b>409,093,652</b>





**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

	<b>2008-2009 Rs.</b>	<b>2007-2008 Rs.</b>
<b>"L" INCOME FROM OPERATIONS</b>		
[Refer Note I(vii) - Schedule "Q"]		
Ground Rent - Gross	708,459,007	539,032,216
[Tax Deducted at Source: Rs. 16,994,657; (Previous year: Rs. 11,934,761)]		
Container Storage, Handling and Repair - Gross	1,187,882,574	1,024,482,037
[Tax Deducted at Source Rs. 28,495,166; (Previous year: Rs. 11,341,574)]		
Service Charges	100,540,156	60,607,581
Auction Sales	38,751,429	26,104,765
	<b>2,035,633,166</b>	<b>1,650,226,599</b>
<b>"M" OTHER INCOME</b>		
Rent - Gross	12,568,182	7,440,039
[Tax Deducted at Source Rs. 1,356,248; (Previous year: Rs. 1,121,972)]		
Interest on Fixed Deposits with Banks - Gross	25,778,641	81,599,823
[Tax Deducted at Source Rs. 5,716,604; (Previous year: Rs. 18,083,068)]		
Interest on Loan to Subsidiary - Gross	916,648	6,786,388
[Tax Deducted at Source Rs. 207,712; (Previous year: Rs. 1,537,796)]		
Gain on redemption of Investments	11,076,416	7,815,733
Liabilities no longer Required Written Back	1,975,064	2,608,395
Write back of Auction Surplus	2,294,853	1,518,944
Write back of Provision for Doubtful Debts no longer required (Net)	2,619,775	-
Miscellaneous Income	-	470,000
	<b>57,229,579</b>	<b>108,239,322</b>
<b>"N" EMPLOYEE COSTS</b>		
Salaries, Allowances and Bonus	57,732,076	56,896,532
Contribution to Provident and Other Funds	3,710,341	3,665,773
Leave Encashment	3,061,297	2,710,594
Gratuity	2,805,347	2,374,360
Staff Welfare	1,625,856	1,630,156
Employees Stock Options Expense (Refer Note 4 - Schedule "Q")	4,960,757	1,864,876
	<b>73,895,674</b>	<b>69,142,291</b>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009 (Contd.)**

	2008-2009 Rs	2008-2009 Rs	2007-2008 Rs.
<b>"O" OPERATING AND OTHER EXPENSES</b>			
Transportation		207,588,187	211,201,836
Labour Charges		79,389,384	78,601,883
Equipment Hire Charges		18,880,698	18,981,158
Surveyors' Fees		10,234,052	11,729,705
Sub-Contract Charges		129,674,353	114,093,433
Auction Expenses [Refer Note I(vii)(b) - Schedule "Q"]		16,622,196	10,378,295
Purchase of Pallets		17,115,616	16,046,571
Fees on Operations and Management of Punjab Conware's Container Freight Station		115,571,152	79,230,000
Power and Fuel		40,456,305	23,058,961
Licensing fees		-	14,845,454
Rates and Taxes		24,989,628	6,835,434
Repairs and Maintenance:			
- Building/ Yard		10,089,686	7,910,428
- Plant and Machinery		2,209,543	2,491,030
- Containers		961,791	671,416
- Others		2,922,934	1,922,843
Insurance		9,158,968	7,579,036
Directors' Sitting Fees		799,170	757,628
Customs Staff Expenses		16,271,263	12,200,174
Printing and Stationery		5,915,585	5,389,683
Travelling and Conveyance		12,612,630	12,357,209
Motor Car Expenses		4,289,687	3,329,143
Communication		4,891,614	4,207,798
Advertising Expenses		7,472,000	4,991,595
Security Charges		17,887,164	13,887,739
Professional Fees		12,673,554	5,810,582
Auditors' Remuneration:			
- As Auditors	2,700,000		2,450,000
- As Advisors, or in any other capacity, in respect of Other Services	350,000		150,000
- Reimbursement of Out-of-Pocket Expenses	50,227		36,852
		3,100,227	2,636,852
Bad Debts	9,683,717		-
Less: Provision for Doubtful Debts Adjusted	9,683,717		-
		-	-
Provision for Doubtful Debts (Refer Note I(x) - Schedule "Q")		-	6,856,303
Provision for Doubtful Ground Rent		3,495,500	666,200
Software Expenses		56,538	98,394



**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND  
LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009 (Contd.)**

	<b>2008-2009 Rs</b>	<b>2008-2009 Rs</b>	<b>2007-2008 Rs.</b>
Loss on Sale/ Disposal of Fixed Assets		1,994,024	138,117
Advances written off		3,000,000	-
Stamp Duty and Share Issue Expenses		26,690	1,324,814
Brokerage and expenses on Buyback of Shares		2,797,854	-
Bank Charges		3,573,128	4,418,577
Miscellaneous		2,439,750	2,935,416
		<b>789,160,871</b>	<b>687,583,707</b>
<b>"P" INTEREST</b>			
Term Loan		7,032,644	-
Vehicle Finance Loan		-	154,377
Cash Credit		-	460,035
		<b>7,032,644</b>	<b>614,412</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009  
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR THEN ENDED**

**“Q” NOTES TO THE ACCOUNTS**

**I. Significant Accounting Policies:**

**(i) Basis of Accounting:**

The Financial Statements have been prepared under historical cost convention, on an accrual basis of accounting and comply with the generally accepted accounting Principles in India and Accounting Standards notified under Sub-section (3C) of Section 211 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; and
  - Additions/ construction of Building, Electrical Installations, Furniture and Fixtures and Office Equipments at Punjab Conware CFS is 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 net assets value.



**“Q” NOTES TO THE ACCOUNTS (Contd.)**

**(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 assets and 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 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 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 leave as per the leave policy of the Company. The liability in respect of 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) Deferred Taxation:**

Deferred Tax is recognised, subject to the consideration of prudence on timing differences,



**“Q” NOTES TO THE ACCOUNTS (Contd.)**

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 asset can be realised. Deferred Tax is not recognised on timing differences, which would arise and expected to be reversed during the period of tax holiday.

**(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. 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 in respect of 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	(Rs.)	
	2008-2009	2007-2008
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.	4,198,105,000	3,566,137,359
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.	57,355,575	52,400,000
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.	2,744,638,580	535,166,035
Claims made by the Party not acknowledged as debts		
- Container Corporation of India Limited (Refer Note 19 – Schedule “Q” below)	Not Ascertainable	-
- Others	248,400	-
<b>Total</b>	<b>7,000,347,555</b>	<b>4,153,703,394</b>





**“Q” NOTES TO THE ACCOUNTS (Contd.)**

**3. Capital Commitments:**

Estimated amount of contracts (net of advances of Rs. 4,958,000; Previous Year Rs. 53,273,781) remaining to be executed on capital account and not provided for is Rs. 61,955,985 (Previous Year Rs. 20,220,008).

**4. Employee Stock Option Plan :**

**a) Employee Stock Option Plan, 2005 - I**

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.

The Employee Stock Option Committee formed for the implementation of the plan, at its meeting held on September 15, 2005, granted share warrants entitling options for 240,000 Equity Shares to the eligible employees of the Company at Rs. 163.64 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from September 16, 2005 i.e., the date as specified in the warrant at the time of allotment. With effect from August 4, 2007, consequent to the issue of bonus shares in the ratio of 1 new equity share for every existing 4 equity shares held in the company, the exercise price was reduced by 20% to Rs. 130.92 per share of face value Rs. 10 per share and the warrant holders became eligible to exercise options for additional 25% equity shares, increasing their entitlement to subscribe for additional 24,798 Equity Shares of Rs. 10 each per share.

Of these, options for 132,000 Equity Shares (Previous year 132,000) have lapsed on termination of employment of employees. The Company had allotted 18,800 and 15,000 Equity shares on January 31, 2007 and on November 29, 2007, respectively, to employees under Employees Stock Option Plan, 2005. The options for 98,998 Equity Shares (Previous year 98,998) at an exercise price of Rs. 130.92 per equity share were outstanding as on March 31, 2009. The rights under the options would be exercisable for a period of 3 years on graded basis commencing between September 16, 2006 and August 3, 2007 at a price of Rs. 163.64 per share (at premium of Rs. 153.64 per equity share) and between August 4, 2007 and April 1, 2008, at a price of Rs. 130.92 per share (at premium of Rs. 120.92 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India (“SEBI”) has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 (‘SEBI guidelines’), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, 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 being recognised in the Books of Account and amortised over the vesting period.

**b) Employee Stock Option Plan, 2005 - II**

The Employee Stock Option Committee at its meeting held on July 20, 2006, granted share warrants entitling options for 311,750 Equity Shares to the eligible employees of the Company and its Subsidiary Companies at an exercise price of Rs. 136.56 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from July 21, 2006 i.e., the date as specified in the warrant at the time of allotment. With effect from August 4, 2007, consequent to the issue of bonus shares in the ratio of 1 new equity share for every existing 4 equity shares held in the company, the exercise price was reduced by 20% to Rs. 109.25 per share of face value Rs. 10 per share and the warrant holders became eligible to



## “Q” NOTES TO THE ACCOUNTS (Contd.)

exercise options for additional 25% equity shares, increasing their entitlement to subscribe for additional 65,812 Equity Shares of Rs. 10 each per share.

Of these, options for 116,250 Equity Shares (Previous year 100,125) have lapsed on termination of employment of employees. The Company had allotted 103,825 Equity Shares on August 11, 2007, 12,000 Equity Shares on October 17, 2007 and 3,050 Equity Shares on November 29, 2007, to employees under Employees Stock Option Plan, 2005. The options for 142,437 Equity Shares (Previous year 158,562) at an exercise price of Rs. 109.25 per equity share were outstanding as on March 31, 2009. The rights under the options would be exercisable for a period of 3 years on graded basis commencing between July 21, 2007 and August 3, 2007 at a price of Rs. 136.56 per share (at premium of Rs. 126.56 per equity share) and between August 4, 2007 to April 1, 2009, at a price of Rs. 109.25 per share (at premium of Rs. 99.25 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India (“SEBI”) has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 (‘SEBI guidelines’), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, 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 being recognised in the Books of Account and amortised over the vesting period.

### c) Employee Stock Option Plan, 2005 - III

The Employee Stock Option Committee at its meeting held on January 30, 2008, granted share warrants entitling options for 306,875 Equity Shares to the eligible employees of the Company and its Subsidiary Companies at an exercise price of Rs. 92.92 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from January 31, 2008 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 26,250 Equity Shares (Previous year Nil) have lapsed on termination of employment of employees. The options for 280,625 Equity Shares (Previous year 306,875) at Rs. 92.92 per equity share were outstanding as on March 31, 2009. The rights under the options would be exercisable for a period of 3 years on graded basis commencing between January 31, 2009 and April 1, 2010 at a price of Rs. 92.92 per share (at premium of Rs. 82.92 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India (“SEBI”) has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 (‘SEBI guidelines’), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, 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 being recognised in the Books of Account and amortised over the vesting period.

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 current financial year has been determined under “Minimum Alternate Tax” pursuant to Section 115JB of the Income Tax Act.



**“Q” NOTES TO THE ACCOUNTS (Contd.)**

6. Certificates for tax deducted at source aggregating Rs. 20,555,751 (Previous Year Rs. 21,405,072) 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, 2008 to March 31, 2009.

**Secondary Segment:**

There is no secondary reportable segment relating to the Company’s business.

**8. Disclosure of Related Party transactions:**

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. Gateway Rail Freight Limited (GRFL)
- iv. Gateway Distriparks (Kerala) Limited (GDKL)
- v. Snowman Frozen Foods Limited (SFFL)

**Key Managerial Personnel:**

Mr. Prem Kishan Gupta,  
Deputy Chairman and Managing Director

Sr. No.	Particulars	(Rs.)			
		Subsidiary Companies		Key Managerial Personnel	
		2008-2009	2007-2008	2008-2009	2007-2008
	<b>Transactions during the year:</b>				
1.	Handling Income-GDSPL	4,886,000	4,886,000	-	-
2.	Interest Income-GDSPL	916,648	6,786,388	-	-
3.	Handling Income – GDSPL	1,257,000	-	-	-
4.	Handling Income-GEIPL	2,700,000	2,025,000	-	-
5.	Management Fees-GEIPL	-	900,000	-	-
6.	Commission	-	-	2,500,000	2,500,000
7.	Transport Income-GRFL	388,145	-	-	-
8.	Rent Income-GRFL	840,000	-	-	-
9.	i. Share Application Money-GEIPL	21,049,317	29,443,206	-	-
	ii. Share Application Money-GRFL	11,634,281	1,872,811,700	-	-



**“Q” NOTES TO THE ACCOUNTS (Contd.)**

Sr. No.	Particulars	(Rs.)			
		Subsidiary Companies		Key Managerial Personnel	
		2008-2009	2007-2008	2008-2009	2007-2008
10.	i. Recovery of Loan given-GDSPL	49,995,347	70,886,793	-	-
	ii. Recovery of Loan given-GRFL	-	527,678,925	-	-
11.	Investment in Equity Shares:				
	i. GEIPL	115,100,000	-	-	-
	ii. GRFL	743,500,000	30,000,000	-	-
	<b>Closing Balances:</b>				
1.	Investment in Equity Shares:				
	i. GEIPL	148,400,000	33,300,000	-	-
	ii. GDSPL	134,280,767	134,280,767	-	-
	iii. GRFL	1,783,500,000	1,040,000,000	-	-
	iv. GDKL	300,000	300,000	-	-
	v. SFFL	470,053,678	470,053,678	-	-
2.	Share Application Money				
	i. GEIPL	1,764,087	49,014,770	-	-
	ii. GDKL	119,700,000	119,700,000	-	-
	iii. GRFL	1,140,945,981	1,872,811,700	-	-
3.	Loan given: GDSPL	-	49,995,347	-	-

**9A. Directors' Remuneration:**

Particulars	(Rs.)	
	2008-2009	2007-2008
Commission to Deputy Chairman and Managing Director	2,500,000	2,500,000
Commission to Non Whole-time Directors	9,900,000	8,500,000
Directors' Sitting Fees	799,170	757,628
<b>Total</b>	<b>13,199,170</b>	<b>11,757,628</b>

**9B. Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956:**

Particulars	(Rs.)	
	2008-2009	2007-2008
Net Profit before Tax	1,073,245,798	867,652,986
Add:		
Depreciation provided in the Profit and Loss Account	149,527,758	133,472,525
Directors' Remuneration	12,400,000	11,000,000
Directors' Sitting Fees	799,170	757,628
Provision for Doubtful Debts	-	6,856,303
Provision for Doubtful Ground Rent	3,495,500	666,200
Loss on Sale/ Disposal of Fixed Assets	1,994,024	138,117
	<b>1,241,462,250</b>	<b>1,020,543,759</b>



**“Q” NOTES TO THE ACCOUNTS (Contd.)**

Particulars	(Rs.)	
	2008-2009	2007-2008
Less:		
Depreciation under Section 350 of the Companies Act, 1956	149,527,758	133,472,525
Loss on Sale/ Disposal of Fixed Assets under Section 350 of the Companies Act, 1956	1,994,024	138,117
Gain on Redemption of Investment	11,076,416	7,815,733
Bad debts written off	9,683,717	-
Write Back of Provision for Doubtful Debts (Net)	2,619,775	-
	174,901,690	141,426,375
Net Profit for the purpose of Directors' Commission	1,066,560,560	879,117,384
Managerial remuneration permissible under the Companies Act, 1956 @ 5%	53,328,028	43,955,869
Commission to non Whole-time Directors @ 1%	10,665,606	8,791,174
<b>Commission payable for the year restricted to:</b>		
Managing Director	2,500,000	2,500,000
Non Whole-time Directors	9,900,000	8,500,000
<b>Total</b>	<b>12,400,000</b>	<b>11,000,000</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	(Rs.)	
	2008-2009	2007-2008
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)	937,573,883	752,133,059
II. Weighted average number of Equity Shares for Earnings per Share computation		
For Basic Earnings Per Share	112,268,227	115,538,671
Add : Weighted average outstanding employee stock options deemed to be issued for no consideration	-	117,984
No. of Shares for Diluted Earnings Per Share	112,268,227	115,656,655



**“Q” NOTES TO THE ACCOUNTS (Contd.)**

Particulars	(Rs.)	
	2008-2009	2007-2008
III. Earnings Per Share in Rupees (Weighted Average)		
Basic	8.35	6.51
Diluted	8.35	6.50

**11. Value of Imports calculated on CIF basis :**

Particulars	(Rs.)	
	2008-2009	2007-2008
Capital Goods	62,588,717	34,298,028

**12. Expenditure in Foreign Currency:**

Particulars	(Rs.)	
	2008-2009	2007-2008
Professional Fees	609,717	226,692
Travelling Expenses	3,953,553	2,549,283
Directors' Commission	6,300,000	5,800,000
Rates and Taxes	807,781	667,121
Others	829,798	174,704

**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	2008-2009 Rs.	2007-2008 Rs.
2007-2008	First Interim	11	28,939,500	-	43,409,250
2007-2008	Second Interim	11	28,229,750	42,344,625	-
2007-2008	Final	9	26,899,500	13,449,750	-
2008-2009	First Interim	9	23,899,500	35,849,250	-

**14. Loans and Advances in the nature of Loans to Subsidiaries (pursuant to Clause 32 of the Listing Agreement with Stock Exchanges):**

**a. Loans and Advances to Subsidiary Companies:**

Name of the Subsidiary Company	(Rs.)	
	Amount Outstanding as at March 31, 2009	Maximum Amount Outstanding at any time during the year
Gateway Distriparks (South) Private Limited	-	49,995,347





**“Q” NOTES TO THE ACCOUNTS (Contd.)**

- b. There are no loans and advances in the nature of Loans, where there is no repayment Schedule.
- c. All loans and advances in the nature of loans are given in term within the limits specified under Section 372 of The Act.

**15. Disclosure for AS 15 (Revised)**

The Company has adopted Accounting Standard 15 “Employee Benefits” with effect from April 1, 2007. Pursuant to adoption, the Company 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

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

- Employers’ Contribution to Provident Fund \* Rs. 3,710,341 (Previous year: Rs. 3,665,773)  
[Includes EDLI charges and 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 in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

	(% per annum)	
	2008-2009	2007-2008
Discount Rate	7.75	8.25
Rate of increase in Compensation Levels	8.00	8.00
Rate of Return on Plan Assets	8.00	8.00

Particulars	2008-2009		2007-2008	
	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	4,179,742	1,661,975	3,313,708	-
Interest Cost	415,758	158,548	302,084	139,278
Current Service Cost	859,743	259,813	945,955	1,740,977
Past Service Cost	-	-	-	-
Curtailment Cost/ (Credit)	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-
Benefits Paid	-	-	(187,199)	-
Actuarial (Gain)/ Loss on Obligations	880,054	118,788	(194,806)	(218,280)
Present Value of Obligation at the end of the year	<b>6,335,297</b>	<b>2,199,124</b>	<b>4,179,742</b>	<b>1,661,975</b>



**“Q” NOTES TO THE ACCOUNTS (Contd.)**

Particulars	2008-2009		2007-2008	
	Funded Rs.	Non-Funded Rs.	Funded Rs.	Non-Funded Rs.
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as at beginning of the year	2,503,848	-	1,756,000	-
Expected Return on Plan Assets	255,096	-	180,528	-
Actuarial Gain/ (Loss) on Plan Assets	(367,739)	-	160,320	-
Contributions	684,855	-	594,199	-
Benefits paid	-	-	(187,199)	-
Fair Value of Plan Assets as at end of the year	<b>3,076,060</b>	-	<b>2,503,848</b>	-

**Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2009**

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.

**Reconciliation of Present Value of Defined Benefit**

Particulars	2008-2009		2007-2008	
	Funded Rs.	Non-Funded Rs.	Funded Rs.	Non-Funded Rs.
<b>Obligation and the Fair Value of Assets</b>				
Present Value of Funded Obligation as at end of the year	6,335,297	2,199,124	4,179,742	1,661,975
Fair Value of Plan Assets as at end of the year	3,076,060	-	2,503,848	-
Funded (Asset)/ Liability recognised in the Balance Sheet	(3,076,060)	-	(2,503,848)	-
Present Value of Unfunded Obligation as at end of the year	3,259,237	2,199,124	1,675,894	1,661,975
Unrecognised Past Service Cost	-	-	-	-
Unrecognised Actuarial (Gain)/ Loss	-	-	-	-
<b>Unfunded Net (Asset)/ Liability Recognised in Balance Sheet**</b>	<b>3,259,237</b>	<b>2,199,124</b>	<b>1,675,894</b>	<b>1,661,975</b>

\*\* Included under Provisions “Gratuity” (Refer Schedule “K”)

Particulars	2008-2009		2007-2008	
	Funded Rs.	Non-Funded Rs.	Funded Rs.	Non-Funded Rs.
<b>Amount recognised in the Balance Sheet</b>				
Present Value of Obligation as at end of the year	6,335,297	2,199,124	4,179,742	1,661,975
Fair Value of Plan Assets as at end of the year	3,076,060	-	2,503,848	-
<b>(Asset)/ Liability recognised in the Balance Sheet***</b>	<b>3,259,237</b>	<b>2,199,124</b>	<b>1,675,894</b>	<b>1,661,975</b>

\*\*\* Included under Provisions “Gratuity” (Refer Schedule “K”)



“Q” NOTES TO THE ACCOUNTS (Contd.)

Particulars	2008-2009		2007-2008	
	Funded Rs.	Non-Funded Rs.	Funded Rs.	Non-Funded Rs.
<b>Expenses Recognised in the Profit and Loss Account</b>				
Current Service Cost	859,743	259,813	945,955	1,740,977
Past Service Cost	-	-	-	-
Interest Cost	415,758	158,548	302,084	139,278
Expected Return on Plan Assets	(255,096)	-	(180,528)	-
Curtailment Cost/ (Credit)	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-
Net actuarial (Gain)/ Loss recognised in the year	1,247,793	118,788	(355,126)	(218,280)
<b>Total Expenses recognised in the Profit and Loss Account****</b>	<b>2,268,198</b>	<b>537,149</b>	<b>712,385</b>	<b>1,661,975</b>
<b>Expected Contribution for Next Year</b>	<b>887,619</b>	<b>-</b>	<b>684,155</b>	<b>-</b>

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

The liability for leave encashment and compensated absences as at year end is Rs. 4,375,148 (Previous year: Rs. 2,515,562).

16. The Company holds 40,298,619 equity shares (net of 952,381 equity shares acquired on behalf of another Corporate, who under an agreement will vote with the Company on all matters and will not sell its shareholding without the Company’s consent) of Snowman Frozen Foods Limited (SFFL) at aggregate cost of Rs. 470,053,678 (net of Rs. 10,000,000 received on transfer of 952,381 equity shares indicated above). SFFL is engaged in the business of cold chain logistics on a nation-wide basis. The Company entered into share subscription and shareholders agreement with SFFL and its present shareholders include Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group Inc., (who continue as substantial shareholders of SFFL with an aggregate 49.90% post-acquisition). The Company holds 48.94% shares in SFFL and has nominated majority of the Directors on the Board of SFFL.
17. 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.
18. Gateway Rail 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.
19. 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”) in respect of 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” in respect of the operations at Garhi Harsaru, Gurgaon.



**“Q” NOTES TO THE ACCOUNTS (Contd.)**

20. 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.

**21. Provision for Contingencies**

Particulars			Rs.
	Indirect Taxes (Refer note below)	Others (Refer note below)	Total
<b>Opening Balance</b>	-	<b>16,809,197</b>	<b>16,809,197</b>
Add: Provision Made	4,778,778	16,271,263	21,050,041
Less: Amounts Utilised	-	-	-
Less: Provision Reversed	-	-	-
<b>Closing Balance</b>	<b>4,778,778</b>	<b>33,080,460</b>	<b>37,859,238</b>

**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

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.
24. Refer Annexure for additional information pursuant to Part IV of Schedule VI to the Act.

Signatures to Schedules “A” to “Q” forming part of the Accounts.

**Uday Shah**  
Partner  
Membership No. F-46061  
For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

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: Delhi  
Date: June 24, 2009

Place: Delhi  
Date: June 24, 2009



**ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE ACT.  
BALANCE SHEET ABSTRACT AND COMPANY’S GENERAL BUSINESS PROFILE.**

**I Registration Details**

Registration No. 

1	6	4	0	2	4
---	---	---	---	---	---

 State Code 

1	1
---	---

  
Balance Sheet Date 

3	1	0	3	2	0	0	9
---	---	---	---	---	---	---	---

  
Date Month Year

**II Capital Raised During the Year (Amount in Rs. Thousands)**

Public Issue 

N	I	L
---	---	---

 Rights Issue 

N	I	L
---	---	---

  
Bonus Issue 

N	I	L
---	---	---

 Private Placement 

N	I	L
---	---	---

Refer Note 2 under Schedule “A” for Buyback of Shares of 7,883,412 Equity Shares for total consideration of Rs. 640,000 (000)

**III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities # 

7	0	0	0	7	6	3
---	---	---	---	---	---	---

 Total Assets 

7	0	0	0	7	6	3
---	---	---	---	---	---	---

(includes Shareholders' Funds)

**Sources of Funds**

Paid-up Capital 

1	0	7	7	1	3	3
---	---	---	---	---	---	---

 Reserves and Surplus 

5	2	5	7	8	6	5
---	---	---	---	---	---	---

  
Secured Loans 

8	9	8	3	1
---	---	---	---	---

 Unsecured Loans 

N	I	L
---	---	---

  
Deferred Tax Liability 

1	6	6	3	8	0
---	---	---	---	---	---

**Application of Funds**

Net Fixed Assets 

2	6	1	1	7	2	7
---	---	---	---	---	---	---

 Investments 

2	7	6	6	5	3	4
---	---	---	---	---	---	---

(Please tick appropriate box + for Positive, - for Negative)

+ - Net Current Assets 

✓		1	2	1	2	9	4	7
---	--	---	---	---	---	---	---	---

 Miscellaneous Expenditure 

N	I	L
---	---	---

**IV Performance of Company (Amount in Rs. Thousands)**

Turnover (including Other Income) 

2	0	9	2	8	6	3
---	---	---	---	---	---	---

 Total Expenditure 

1	0	1	9	6	1	7
---	---	---	---	---	---	---

  
(Please tick appropriate box + for Profit, - for Loss) (Please tick appropriate box + for Profit, - for Loss)  
+ - Profit /Loss Before Tax 

✓		1	0	7	3	2	4	6
---	--	---	---	---	---	---	---	---

 + - Profit /Loss After Tax 

✓		9	3	7	5	7	4
---	--	---	---	---	---	---	---

  
(Please tick appropriate box + for Positive, - for Negative)  
+ - Earning Per Share (in Rs.) 

✓		8	.	3	5
---	--	---	---	---	---

 Dividend Rate % 

3	5
---	---

**V Generic Names of Principal Products / Services of Company (as per monetary terms)**

Item Code No. (ITC Code) Not Applicable  
Product Description Not Applicable, since the Company is engaged in service activities relating to Container Freight Station.

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: Delhi  
Date: June 24, 2009



## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF GATEWAY DISTRIPARKS LIMITED

1. We have audited the attached Consolidated Balance Sheet of Gateway Distriparks Limited ("the Company") and its subsidiaries as at March 31, 2009, and the related Consolidated Profit and Loss Account and 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 Management of Gateway Distriparks Limited and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. 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 misstatements. 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 Financial Statement Presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 600,374,139 as at March 31, 2009 and total revenues of Rs. 368,866,055 for the year ended on that date as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, notified under sub-section (3C) of Section 211 of the Companies Act, 1956, of India ("the Act") and on the basis of separate audited financial statements of Gateway Distriparks Limited and its subsidiaries included in the Consolidated Financial Statements.
5. *Attention is drawn to Note 17 on Schedule T in respect of outstanding balances (net of provision for doubtful debts) of sundry debtors aggregating Rs. 67,994,941 which are subject to confirmation from parties and pending reconciliation/ review. Pending the reconciliation/ review of the debtors accounts, the consequential effects on the consolidated profit for the year and the net worth as at the year-end arising out of the reconciliation cannot be ascertained.*
6. On the basis of information and according to the explanations given to us and on the consideration of the separate audit reports on individual audited Financial Statements of Gateway Distriparks Limited and its aforesaid subsidiaries, *without considering the possible effects of Paragraph 5 above*, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of Gateway Distriparks Limited and its subsidiaries as at March 31, 2009;
  - (b) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Gateway Distriparks Limited and its subsidiaries for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Gateway Distriparks Limited and its subsidiaries for the year ended on that date.

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

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Place: Delhi  
Date: June 24, 2009



**GATEWAY DISTRI PARKS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

	Schedule Reference	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Capital	A	1,077,133,380		1,155,967,500
Share Application Money				
Reserves and Surplus	B	5,159,700,357		5,310,975,761
			6,236,833,737	6,466,943,261
<b>Loan Funds</b>				
Secured Loans	C		2,044,700,114	178,504,157
<b>Minority Interest</b>				
	D		605,615,220	635,735,542
<b>Deferred Tax Liabilities (Net)</b>				
	E		184,887,050	168,800,726
<b>TOTAL</b>			<b>9,072,036,121</b>	<b>7,449,983,686</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	F	9,333,166,500		7,185,983,671
Less: Depreciation		1,407,042,776		1,000,958,173
Net Block		7,926,123,724		6,185,025,498
Capital Work-in-Progress		205,785,799		465,839,264
			8,131,909,523	6,650,864,762
<b>Pre-operative expenses pending capitalisation/allocation</b>				
	G		227,652	86,569
<b>Investments</b>				
	H		230,022,000	22,000
<b>Current Assets, Loans and Advances</b>				
Sundry Debtors	I	529,142,802		317,409,733
Cash and Bank Balances	J	593,046,903		956,904,025
Other Current Assets	K	25,626,645		35,397,418
Loans and Advances	L	248,613,279		162,266,164
		1,396,429,629		1,471,977,340
<b>Less: Current Liabilities and Provisions</b>				
Liabilities	M	378,210,030		383,106,152
Provisions		315,389,786		299,140,882
		693,599,816		682,247,034
<b>Net Current Assets</b>			702,829,813	789,730,306
<b>Miscellaneous Expenditure</b>	N		7,047,133	9,280,049
<b>TOTAL</b>			<b>9,072,036,121</b>	<b>7,449,983,686</b>
<b>Notes to the Accounts</b>	T			

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.

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

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

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: Delhi  
Date: June 24, 2009

Place: Delhi  
Date: June 24, 2009





**GATEWAY DISTRI PARKS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR**  
**THE YEAR ENDED MARCH 31, 2009**

	Schedule Reference	2008-2009 Rs.	2007-2008 Rs.
<b>INCOME</b>			
Income from Operations	O	4,509,848,077	2,713,883,296
Other Income	P	118,736,037	144,022,249
		<b>4,628,584,114</b>	<b>2,857,905,545</b>
<b>EXPENDITURE</b>			
Employee Costs	Q	198,180,695	162,526,912
Operating Expenses	R	2,850,473,314	1,526,944,577
Depreciation/ Amortisation		444,744,825	291,961,907
Interest	S	201,568,789	20,020,216
		<b>3,694,967,623</b>	<b>2,001,453,612</b>
<b>Profit before Taxation</b>		933,616,491	856,451,933
Provision for Taxation			
Income Tax (Refer Note 5 - Schedule "T") - Current Year		139,083,220	111,560,000
- Earlier Years		(2,656,064)	(5,380,620)
Fringe Benefit Tax [including for earlier years Rs. 292,522 (Previous Year Rs. Nil)]		6,443,985	11,437,485
Deferred Tax [Refer Notes I(x) - Schedule "T" and Schedule "E"]		16,086,324	18,682,645
<b>Profit After Taxation</b>		<b>774,659,026</b>	<b>720,152,423</b>
Minority Interest		21,098,819	15,442,954
<b>Net Profit</b>		<b>795,757,845</b>	<b>735,595,377</b>
Profit and Loss Account Balance Brought Forward		1,146,537,782	959,559,192
Acquired on increase of interest in subsidiary company		55,777,858	-
		1,998,073,485	1,695,154,569
Transfer to General Reserve		93,800,000	75,300,000
Interim Dividend paid		166,804,961	173,368,050
Proposed Interim Dividend		161,570,007	173,395,125
Proposed Final Dividend		53,856,669	57,798,375
Write back of Excess amount of Proposed Final Dividend for earlier year		(500,768)	-
Tax on Dividend		64,875,162	68,755,237
Profit and Loss Account Balance Carried to Balance Sheet		<b>1,457,667,454</b>	<b>1,146,537,782</b>
Earnings Per Share (Refer Note 10 - Schedule "T")			
- Basic		7.09	6.37
- Diluted		7.09	6.36
<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.

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

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

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: Delhi  
Date: June 24, 2009

Place: Delhi  
Date: June 24, 2009



**GATEWAY DISTRI PARKS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**MARCH 31, 2009**

	2008-2009 Rs.	2007-2008 Rs.
<b>A. Cash flow from operating activities:</b>		
Profit Before Taxation	933,616,491	856,451,933
<b>Adjustment for :</b>		
Depreciation	444,744,825	291,961,907
Provision for Doubtful Debts	40,426,791	16,825,502
Provision for ESOP Expenses	4,960,757	1,864,876
Advances Written-off	6,268,976	-
Interest Expense	201,568,789	20,020,216
Interest Income	(61,257,425)	(109,996,658)
Gain on redemption of investments (Net)	(11,076,416)	(7,815,733)
Loss on Sale/ Discard of Fixed Assets	3,869,056	413,078
Provision for Employee Benefits	7,280,618	5,398,428
Provision for Doubtful Ground Rent	8,433,430	1,734,900
Bad Debts written off	2,717,509	9,143,246
Provision for Loss on consignment business	6,385,641	-
Amortisation of Miscellaneous Expenditure and Preliminary Expenses	2,232,916	1,864,943
Provision for Contingencies	21,050,041	16,809,197
Liabilities no Longer Required Written Back	(20,312,832)	(6,732,395)
<b>Operating profit before working capital changes</b>	<b>1,590,909,167</b>	<b>1,097,943,440</b>
<b>Adjustments for change in working capital:</b>		
- Decrease/ (Increase) in Sundry Debtors	(254,877,370)	(161,235,508)
- Decrease/ (Increase) in Loans and Advances	(43,873,058)	(78,330,062)
- Increase/ (Decrease) in Trade and Other Payables	13,134,546	136,167,435
<b>Cash generated from operations</b>	<b>1,305,293,285</b>	<b>994,545,305</b>
- Taxes Paid	193,690,204	112,463,210
<b>Net cash from operating activities</b>	<b>(A) 1,111,603,081</b>	<b>882,082,095</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of Fixed Assets	(1,939,468,683)	(2,229,758,572)
Purchase of Investments	(1,240,000,000)	(810,000,000)
Share Application Money	(509,770)	-
(Increase) / Decrease in pre-operative Expenses pending capitalisation	(141,083)	47,340,913
Increase / (Decrease) in Minority Interest	(18,700,000)	168,251,700
Increase in Miscellaneous Expenditure	-	(9,090,232)
Assets Acquired/ Goodwill on acquisition of subsidiaries	65,456,355	-
Sale of Investments	1,021,076,416	817,815,733
Sale of Fixed Assets	9,810,042	1,748,500
Interest Received	65,159,568	90,926,287
<b>Net cash used in investing activities</b>	<b>(B) (2,037,317,155)</b>	<b>(1,922,765,671)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds of fresh issue of shares (Net of share issue expenses)	-	15,040,895



**GATEWAY DISTRIPARKS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**MARCH 31, 2009 (Contd.)**

	2008-2009 Rs.	2007-2008 Rs.
Buyback of Shares	(639,999,953)	-
Borrowings/ (Repayment) of Secured Loans	1,859,656,231	140,548,699
Interest Paid	(194,200,897)	(18,962,438)
Payment of Dividend	(396,043,695)	(177,670,378)
Payment of Dividend Tax	(67,554,734)	(29,463,901)
<b>Net cash used in financing activities (C)</b>	<b>561,856,952</b>	<b>(70,507,123)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(363,857,122)</b>	<b>(1,111,190,699)</b>
Cash and Cash Equivalents at the beginning of the year	956,904,025	2,068,094,724
Cash and Cash Equivalents at the end of the year	593,046,903	956,904,025
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(363,857,122)</b>	<b>(1,111,190,699)</b>

	Rs.	31.03.2009 Rs.	31.03.2008 Rs.
<b>Cash and Cash Equivalents comprise:</b>			
Cash on Hand		747,015	814,507
Stamps on Hand		-	2,712,000
Cheques on Hand		11,710,260	10,273,447
Balances with Scheduled Banks on:			
- in Current Accounts	197,637,663		209,960,112
- in Unpaid Dividend Accounts	3,069,705		1,615,707
- in Unpaid Share Application Accounts	805,680		805,652
- in Unpaid Fractional Bonus Shares Account	89,299		90,685
- in Fixed Deposit Account	374,987,281		730,631,915
- in Margin Money	4,000,000		-
		580,589,628	943,104,071
<b>Cash and Cash equivalents as at year-end</b>		<b>593,046,903</b>	<b>956,904,025</b>

**Notes:**

- 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.
- Fixed Deposits with banks include Rs. 96,250,000 (Previous year: Rs. 74,032,359) under lien with the banks towards guarantee issued by them and loans given to subsidiaries.
- 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.

**Uday Shah**  
Partner  
Membership No. F-46061  
For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

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: Delhi  
Date: June 24, 2009

Place: Delhi  
Date: June 24, 2009



**GATEWAY DISTRI PARKS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

	31.03.2009 Rs.	31.03.2008 Rs.
<b>“A” Share Capital</b>		
<b>Authorised:</b>		
125,000,000 (Previous year: 125,000,000) Equity Shares of Rs. 10 each	<b>1,250,000,000</b>	<b>1,250,000,000</b>
<b>Issued and Subscribed:</b>		
107,713,338 (Previous year: 115,596,750) Equity Shares of Rs. 10 each, fully paid-up	1,077,133,380	1,155,967,500
	<b>1,077,133,380</b>	<b>1,155,967,500</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. Pursuant to the approval of the Board of Directors, for buy-back of Equity Shares under Section 77A of the Companies Act, 1956, of India (“the Act”) up to 10% of the paid-up Equity Share Capital and Free Reserves of the Company aggregating Rs. 640,000,000 at a maximum price of Rs. 110 per equity share, the Company has bought back 7,883,412 Equity Shares during the year through open market transactions for an aggregate amount of Rs. 639,999,953 by utilising the Securities Premium Account to the extent of Rs. 561,165,833 and General Reserve to the extent of Rs. 78,834,120. The Capital Redemption Reserve has been created out of General Reserve for Rs. 78,834,120 being the nominal value of equity shares bought back in terms of Section 77A of the Act.		
3. For Employee Stock Option Plan 2005 - Refer Notes I(xi) and 4 - Schedule “T”.		
<b>“B” Reserves and Surplus</b>		
<b>Securities Premium Account</b>		
Opening Balance	3,876,946,025	4,090,464,203
Received during the year	-	13,662,145
Transferred from Employees Stock Options Outstanding on exercise of ESOP	-	3,737,427
	3,876,946,025	4,107,863,775
Less: Utilised for allotment of fully paid bonus shares	-	230,917,750
Less: Utilised for Buy back of Shares (Refer Note 2 - Schedule “A” above)	561,165,833	-
	3,315,780,192	3,876,946,025
<b>Capital Reserve on consolidation</b>	4,737	4,737
<b>Capital Redemption Reserve</b>		
Opening Balance	-	-
Add: Transfer from General Reserve on Buy back of Shares (Refer Note 2 - Schedule “A” above)	78,834,120	-
	78,834,120	-
<b>General Reserve</b>		
Opening Balance	279,700,000	204,400,000
Add: Transfer from Profit and Loss Account	93,800,000	75,300,000
Less: Transfer to Capital Redemption Reserve on Buy back of Shares	78,834,120	-
	294,665,880	279,700,000
<b>Profit and Loss Account Balance</b>	1,457,667,454	1,146,537,782



**GATEWAY DISTRIPARKS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs.	31.03.2008 Rs.
<b>Employees Stock Options Plan (“ESOP”) Outstanding</b>		
[Refer Notes I(xi) and 4 - Schedule “T”]		
Opening Balance	7,787,217	9,659,768
Addition during the year	4,960,757	1,864,876
Less: Transferred to Securities Premium Account on exercise of ESOP	-	3,737,427
	<u>12,747,974</u>	<u>7,787,217</u>
	<b>5,159,700,357</b>	<b>5,310,975,761</b>

**"C" Secured Loans**

Cash Credit	-	2,756
(Secured by lien on fixed deposit balance with bank)		
Term Loans		
- From Bank [Refer Notes I(a), I(b) and I(c) below]	811,370,230	30,000,000
- From GE Capital Services India [Refer Note 2 below]	1,090,000,000	-
Hire Purchase/ Vehicle Finance Loan from Banks (Refer Note 3 below)	32,922,085	2,531,650
Vehicle Finance Loan from Others (Refer Note 4 below)	110,407,256	145,775,951
Hire Purchase Loan from Others (Refer Note 5 below)	543	193,800

**Notes:**

1. (a). Term Loan of Rs. 15,000,000 (Previous year : Rs. 30,000,000) from a bank is secured by mortgage of movable and immovable assets of the Subsidiary Company.  
[Term Loan Repayable within one year Rs. 15,000,000 (Previous year: Rs. 15,000,000)]
1. (b) Term Loan of Rs. 89,830,504 (Previous year: Rs. Nil) from HDFC Bank Limited is 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 machineries, fixtures and fittings, constructed, installed or erected thereon.  
[Term Loan repayable within one year Rs. 20,338,992 (Previous year: Rs. Nil)]
1. (c) Term Loan from HDFC Bank of Rs. 706,539,726 (Previous year: Rs. Nil) is 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. [Including Interest Accrued and Due Rs. 6,539,726 (Previous Year: Rs. Nil)] [Repayable within one year Rs. 175,000,000 (Previous Year: Rs. Nil)]
2. Term Loan from GE Capital Services India of Rs. 1,090,000,000 ( Previous Year Rs. Nil) is secured by first pari passu charge on all movable and immovable properties of subsidiary company, 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. The aforesaid loan is repayable in 40 quarterly instalments commencing from October 1, 2010 and hence, amount repayable within one year is Rs. Nil.



**GATEWAY DISTRI PARKS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs.	31.03.2008 Rs.
3. Hire Purchase/ Vehicle Finance Loan from Banks of Rs. 32,922,085 (Previous Year: 2,531,650) are secured by way of hypothecation of the companies commercial vehicles (trailors) [Vehicle Loan Repayable within one year Rs. 10,413,936 (Previous Year Rs. 1,528,247)]		
4. Vehicle Finance Loan from Reliance Capital Limited of Rs. 110,407,256 (Previous Year: Rs. 145,775,951) is secured by way of hypothecation of trailors purchased against the same and Corporate Guarantee of Gateway Distriparks Limited, the Holding Company. [Vehicle Finance Loan Repayable within one year Rs. 38,231,860 (Previous Year Rs. 35,386,615)]		
5. Hire Purchase Finance from others of Rs. 543 (Previous Year: Rs. 193,800) is secured by Hypothecation of Trailors and Vehicles purchased. [Hire Purchase Finance Repayable within one year Rs. Nil (Previous year: Rs. 193,800)]		
	<b>2,044,700,114</b>	<b>178,504,157</b>
<b>"D" Minority Interest</b>		
Share Capital	637,083,810	639,933,810
Share Application Money	72,861,700	84,161,700
Reserves and Surplus:		
Subsidy from National Horticulture Board	926,675	926,675
Securities Premium	28,543,130	33,093,130
Profit and Loss Account	(133,800,095)	(122,379,773)
	<b>605,615,220</b>	<b>635,735,542</b>
<b>"E" Deferred Tax Liabilities (Net)</b>		
[Refer Note 1(x) - Schedule "T"]		
<b>Deferred Tax Liabilities</b>		
Timing difference between book and tax depreciation	244,912,951	240,243,186
Utility upgradation expenses	173,806	474,051
<b>(A)</b>	<b>245,086,757</b>	<b>240,717,237</b>
<b>Deferred Tax Assets</b>		
Accrual for expenses allowable as tax deduction only on payment	877,909	67,329,306
Unabsorbed Loss	170,673	-
Unabsorbed Depreciation	59,151,125	4,587,205
<b>(B)</b>	<b>60,199,707</b>	<b>71,916,511</b>
<b>(A) - (B)</b>	<b>184,887,050</b>	<b>168,800,726</b>





**GATEWAY DISTRI PARKS LIMITED  
SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

**“F” FIXED ASSETS**

[Refer Notes I (iii), I (vi) and 20 - Schedule “T”]

Particulars	Cost			Depreciation/ Amortisation			Net Book Value		
	As at 01.04.2008	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31.03.2009	Up to 01.04.2008	Depreciation For the year	Deductions/ Adjustments For the year	Up to 31.03.2009	As at 31.03.2008
<b>Intangible Assets</b>									
Goodwill on Consolidation	291,590,625	90,156,355	-	381,746,980	71,528,319	35,601,508	-	107,129,827	274,617,153
Punjab Conware Container Freight Station - Upfront Fees	350,000,000	-	-	350,000,000	18,000,000	24,000,000	-	42,000,000	308,000,000
Rail Licence Fees									
(Refer Note 1 below)	500,000,000	-	-	500,000,000	20,833,333	25,000,000	-	45,833,333	454,166,667
Technical Know-how	97,000,000	3,000,000	-	100,000,000	15,612,483	24,532,414	-	40,144,897	59,855,103
<b>Tangible Assets</b>									
Freehold Land	1,561,339,316	179,415,731	-	1,740,755,047	44,374,369	4,470,980	-	48,845,349	1,561,339,316
Leasehold Land	273,267,505	1,050,273	-	274,317,778	308,877,126	68,770,634	-	377,647,760	1,261,256,228
(Refer Notes 6 and 7 below)	1,570,133,354	300,557,016	-	1,870,690,370	12,226,723	3,797,371	-	16,024,094	66,439,055
Buildings	61,173,202	21,289,947	-	82,463,149	13,358,860	5,656,622	-	19,015,482	73,590,020
Electrical Installations	86,948,880	86,016,438	-	172,965,318	183,636,424	21,543,439	-	205,179,863	220,677,122
Rail Siding	404,313,546	15,073,515	-	419,387,061	1,348,021	8,614,084	-	9,962,105	74,487,628
(Refer Note 2 below)	75,835,649	110,184,718	-	186,020,367	89,599,320	28,919,553	3,224,074	115,294,799	382,069,440
Plant and Machinery	471,668,760	92,543,441	7,340,528	556,871,673	16,298,850	69,103,121	-	85,401,971	706,972,806
Container and Reefer Power Packs	723,271,656	1,135,881,430	-	1,859,153,086	4,223,929	1,235,708	81,153	5,378,484	14,747,921
Yard Equipments	18,971,850	4,363,097	333,405	23,001,542	28,883,512	5,180,317	2,353,372	31,710,457	20,792,712
(Refer Note 3 below)	44,213,020	10,647,669	2,357,520	52,503,169	12,796,917	4,983,059	184,065	17,595,911	15,329,508
Office Equipments	38,262,122	20,071,643	233,387	58,100,378	159,359,987	113,336,015	32,817,558	239,878,444	40,504,467
Computers	617,994,186	129,270,876	42,074,480	705,190,582	1,000,958,173	444,744,825	38,660,222	1,407,042,776	458,634,199
Furniture and Fixtures	7,185,983,671	2,199,522,149	52,339,320	9,333,166,500	713,524,627	291,961,907	4,528,361	1,000,958,173	6,185,025,498
Vehicles	4,373,449,801	2,819,223,809	6,689,939	7,185,983,671	205,785,799	205,785,799	-	205,785,799	465,839,264
(Refer Notes 4, 5 and 8 below)									
<b>TOTAL</b>	<b>7,185,983,671</b>	<b>2,199,522,149</b>	<b>52,339,320</b>	<b>9,333,166,500</b>	<b>1,000,958,173</b>	<b>444,744,825</b>	<b>38,660,222</b>	<b>1,407,042,776</b>	<b>6,185,025,498</b>
Previous Year	4,373,449,801	2,819,223,809	6,689,939	7,185,983,671	713,524,627	291,961,907	4,528,361	1,000,958,173	6,650,864,762
Capital Work-in-Progress [including advances of Rs. 64,737,704 (Previous year: Rs. 212,976,619)]									

**Notes:**

- Rail Licence 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 June 1, 2007 ("the date of commencement of commercial operations").
- Railway Siding includes Rs. 85,705,669 (Previous year: Rs. 70,471,534) being cost of railway siding constructed on land not owned by the Company.
- Yard Equipments include Reach Stackers Costing Rs. 466,516,707 (Previous year: Rs. 394,644,312) and having Net Book Value Rs. 367,880,463 (Previous year: Rs. 320,480,901).
- Vehicles include Trailers Costing Rs. 682,354,029 (Previous year: Rs. 597,601,311) and having Net Book Value Rs. 448,455,136 (Previous year: Rs. 442,232,545).
- Vehicles include Trailers costing Rs. 216,447,845 (Previous year: Rs. 170,591,573) and having Net Book Value Rs. 177,724,096 (Previous year: Rs. 166,953,990) have been hypothecated to Reliance Capital Limited and HDFC bank against Vehicle Finance Loans.
- Leasehold land includes land with book value Rs. 5,762,016 (Previous year: Rs. 7,331,563) pending registration with concerned authorities.
- Payments made for acquiring land on lease at various locations for periods ranging from 90-99 years.
- Vehicles include Trucks used for cold chain transportation purposes, with gross book value of Rs. 49,884,274 (Previous year: Rs. 70,283,465) and net book value of Rs. 11,153,938 (Previous year: Rs. 25,009,159). Based on the technical evaluation by the Management, the useful life of such trucks is not lower than as prescribed by Schedule XIV of the Companies Act, 1956, of India.
- Additions to Containers and Reefer Power Packs include Foreign Exchange Loss of Rs. 6,279,799 (Previous year: Rs. Nil).





**GATEWAY DISTRI PARKS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs.	31.03.2008 Rs.
<b>“G” PRE-OPERATIVE EXPENSES PENDING CAPITALISATION / ALLOCATION</b>		
[Refer Notes I(iv) - Schedule “T”]		
Opening Balance	86,569	47,427,482
Salaries, Allowances and Bonus	-	2,197,608
Staff Welfare	-	12,809
Transportation	-	6,056,348
Labour Charges	-	10,439,464
Operation and Management Fees	-	26,410,000
Sub-Contract Charges	-	280,474
Power and Fuel	-	1,324,423
Rates and Taxes	2,027	1,184,200
Repairs & Maintenance		
- Building/ Yard	-	414,530
- Plant and Machinery	-	85,122
Insurance	-	571,772
Customs Staff Expenses	-	1,400,751
Printing and Stationery	-	147,310
Travelling and Conveyance	138,951	113,056
Motor Car Expenses	-	78,291
Communication	-	143,895
Advertising Expenses	-	47,738
Security Charges	-	844,763
Professional Fees	36,283	79,609
Auction Expenses	-	48,121
Bank Charges	-	253,163
Miscellaneous	1,887	271,193
	265,717	99,832,122
Less: Interest on Fixed Deposits	(38,065)	(805,582)
Less: Income from Container Handling	-	(57,267,619)
	227,652	41,758,921
<b>Less:</b>		
Capitalised during the year	-	(30,717,177)
Transferred to Miscellaneous Expenditure	-	(10,955,175)
	<b>227,652</b>	<b>86,569</b>
<b>“H” INVESTMENTS</b>		
[Refer Note I(v) - Schedule “T”]		
Current and Unquoted (at lower of Cost and Net Asset Value)		
13,037,514 (Previous year : Nil) units of HDFC Liquid Fund - Premium Plus Plan - Growth	230,000,000	-
[Net Assets Value Rs. 230,297,255 ( Previous Year Rs. Nil)]		
National Savings Certificates (Lodged with Government Authorities)	22,000	22,000
	<b>230,022,000</b>	<b>22,000</b>
<b>Note:</b>		
The following investment was purchased and sold during the year 2008-2009:		
- HDFC Liquid Fund - Premium Plus Plan - Growth	59,809,154	1,010,000,000



**GATEWAY DISTRIPARKS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs.	31.03.2008 Rs.
<b>“I” SUNDRY DEBTORS</b>		
[Unsecured]		
(Refer Notes 16, 17 and 18 - Schedule “T”)		
Debts Outstanding for a Period exceeding Six Months		
- Considered Good	37,193,514	30,329,807
- Considered Doubtful	86,305,651	67,699,173
	123,499,165	98,028,980
Other Debts - Considered Good	491,949,288	287,079,926
- Considered Doubtful	8,184,414	9,166,627
	623,632,867	394,275,533
Less: Provision for Doubtful Debts	94,490,065	76,865,800
	<b>529,142,802</b>	<b>317,409,733</b>
<b>“J” CASH AND BANK BALANCES</b>		
Cash on Hand	747,015	814,507
Stamps on Hand	-	2,712,000
Cheques on Hand	11,710,260	10,273,447
Balances with Scheduled Banks:		
- in Current Accounts	197,637,663	209,960,112
- in Unpaid Dividend Accounts	3,069,705	1,615,707
- in Unpaid Share Application Accounts	805,680	805,652
- in Unpaid Fractional Bonus Shares Account	89,299	90,685
- in Fixed Deposit Accounts	374,987,281	730,631,915
[Under lien with banks Rs. 96,250,000 (Previous year: Rs. 74,032,359) towards guarantee issued by them and loans given to subsidiaries]		
- in Margin Money	4,000,000	-
	<b>593,046,903</b>	<b>956,904,025</b>
<b>“K” OTHER CURRENT ASSETS</b>		
(Unsecured)		
Accrued Interest on Fixed Deposits with Banks	2,451,399	6,563,681
Accrued interest on Deposits	-	148,665
Accrued interest on Loan given	533,051	174,247
Claims Receivable	732,100	732,100
Accrued Ground Rent		
- Considered Good	21,910,095	27,778,725
- Considered Doubtful	21,955,130	12,547,900
	43,865,225	40,326,625
Less: Provision for Doubtful Ground Rent	21,955,130	12,547,900
	21,910,095	27,778,725
	<b>25,626,645</b>	<b>35,397,418</b>



**GATEWAY DISTRI PARKS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	31.03.2009 Rs.	31.03.2008 Rs.
<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	105,553,012	72,480,997
- Considered Doubtful	-	1,000,000
	105,553,012	73,480,997
Less: Provision for Doubtful Advances	-	1,000,000
	105,553,012	72,480,997
Loan to Max Logistics Private Limited	5,000,000	5,000,000
Share Application - Container Gateway Limited	509,770	-
Balances with Government Authorities	13,148,462	18,964,911
Security Deposits - Others	47,666,852	40,683,136
Assets held for sale	800,000	-
Fringe Benefit Tax [Net of Provision Rs. 10,917,822 (Previous year: Rs. 7,573,978)]	599,312	724,390
Tax Deducted at Source and Advance Tax [Net of Provision for Tax Rs. 360,635,081 (Previous year Rs. 222,268,361)] [Refer Note 5 - Schedule "T"]	75,335,871	24,412,730
	<b>248,613,279</b>	<b>162,266,164</b>
<b>"M" CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors (Refer Note 11 - Schedule "T")		
- Due to Micro Enterprises and Small Enterprises	-	-
- Due to Others	269,765,558	287,718,127
Buyers' Credit	28,261,596	36,906,538
Security Deposits Received	11,298,719	4,566,472
Income Received in Advance	290,363	-
Advances from Customers	25,495,219	20,768,624
Auction Surplus [Refer Note 1(ix)(c) - Schedule "T"]	4,859,993	2,294,853
Interest Accrued but not Due on Term Loans and Vehicle Finance Loan	1,935,995	1,107,829
Unpaid Dividend *	3,069,705	1,615,707
Unpaid Share Application Accounts *	805,680	805,652
Unpaid Fractional Bonus Shares *	89,299	90,685
Other Liabilities	32,337,903	27,231,665
	<b>378,210,030</b>	<b>383,106,152</b>
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
<b>Provisions</b>		
Wealth Tax	71,000	92,000
Proposed Interim Dividend	161,570,007	173,395,125
Proposed Final Dividend	53,856,669	57,798,375



**GATEWAY DISTRI PARKS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 (Contd.)**

	<b>31.03.2009</b>	<b>31.03.2008</b>
	<b>Rs.</b>	<b>Rs.</b>
Tax on Dividend	36,611,764	39,291,336
Employee Benefits [Refer Notes I(viii) and 2I - Schedule "T"]		
- Leave Encashment	8,807,238	5,567,329
- Gratuity	10,228,229	6,187,520
Provision for Loss on consignment business (Refer Note 16 - Schedule "T")	6,385,641	-
Provision for Contingencies (Refer Note 14 - Schedule "T")	37,859,238	16,809,197
	<b>315,389,786</b>	<b>299,140,882</b>
<b>TOTAL</b>	<b>693,599,816</b>	<b>682,247,034</b>
<b>"N" MISCELLANEOUS EXPENDITURE</b>		
[Refer Note I(xiii) - Schedule "T"] (to the extent not written off or adjusted)		
Preliminary and other related expenses	11,108,709	11,144,992
Less: Amortised till date	4,061,576	1,864,943
	<b>7,047,133</b>	<b>9,280,049</b>



**GATEWAY DISTRI PARKS LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

	2008-2009 Rs.	2007-2008 Rs.
<b>“O” INCOME FROM OPERATIONS</b>		
[Refer Note I (ix) - Schedule “T”]		
Ground Rent - Gross (Tax Deducted at Source Rs. 16,994,657; Previous year: Rs. 11,934,761)	826,100,315	628,276,458
Container Storage, Handling and Repair - Gross (Tax Deducted at Source Rs. 34,229,716; Previous year: Rs. 14,565,006)	1,527,561,613	1,318,302,440
Rail Transport (Tax Deducted at Source Rs. 19,798,713; Previous year: Rs. 4,751,419)	1,380,557,530	280,869,905
Road Transport (Tax Deducted at Source Rs. 2,290,746; Previous year: Rs. 1,409,093)	468,382,250	256,760,128
Income from Freezer Division	165,828,116	140,452,784
Service Charges	101,011,824	61,273,225
Auction Sales	40,406,429	27,948,356
	<b>4,509,848,077</b>	<b>2,713,883,296</b>
<b>“P” OTHER INCOME</b>		
Rent - Gross (Tax Deducted at Source Rs. 1,356,248; Previous year: Rs. 1,121,972)	11,728,182	7,469,039
Interest on Fixed Deposits with Banks - Gross (Tax Deducted at Source Rs. 12,218,252; Previous year: Rs. 25,164,745)	60,859,069	109,822,411
Interest on Loans given to Max Logistics Private Limited (Tax Deducted at Source Rs. 39,484; Previous year: Rs. Nil)	398,356	174,247
Commission earned on Consignment Sales	10,126,012	9,441,269
Gain on redemption of investments (Net)	11,076,416	7,815,733
Foreign Exchange Gains (Net) [Refer Note I (vii) - Schedule “T”]	-	343,870
Liabilities no longer Required Written Back	18,017,979	5,213,451
Write back of Auction Surplus	2,294,853	1,518,944
Miscellaneous Income	4,235,170	2,223,285
	<b>118,736,037</b>	<b>144,022,249</b>
	<b>2008-2009 Rs.</b>	<b>2008-2009 Rs.</b>
<b>“Q” EMPLOYEE COSTS</b>		<b>2007-2008 Rs.</b>
Salaries, Allowances and Bonus (Refer Note 15 - Schedule “T”)		132,701,820
Contribution to Provident and Other Funds	159,817,873	
Leave Encashment	10,983,270	9,195,714
Gratuity	6,338,283	5,684,815
Staff Welfare	5,535,389	4,434,089
Employees Stock Options Expense (Refer Note 4 - Schedule “T”)	10,545,123	8,645,598
	4,960,757	1,864,876
	<b>198,180,695</b>	<b>162,526,912</b>
<b>“R” OPERATING AND OTHER EXPENSES</b>		
Transportation	1,839,520,813	732,820,568
Container Storage, Handling and Repairs	5,537,093	46,186,738
Labour Charges	120,174,823	115,116,349
Equipment Hire Charges	29,888,553	39,886,196
Surveyors’ Fees	11,687,852	10,897,643
Sub-Contract Charges	129,138,787	116,187,015
Auction Expenses [Refer Note I (ix)(c) - Schedule “T”]	17,933,845	11,797,338
Purchase of Pallets	17,115,616	16,046,571



**GATEWAY DISTRIPARKS LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009 (Contd.)**

	2008-2009 Rs.	2008-2009 Rs.	2007-2008 Rs.
Fees on Operations and Management of Punjab Conware Container Freight Station		115,571,152	79,230,000
Power and Fuel		94,566,257	58,096,074
Rent [Refer Note 9 - Schedule "T"]		46,777,040	32,389,159
Rail Licensing fees		16,090,354	14,845,454
Rates and Taxes		31,796,654	10,029,037
Repairs and Maintenance:			
- Building/ Yard		14,919,475	9,420,275
- Plant and Machinery		30,445,228	15,458,938
- Containers		1,007,798	692,416
- Others		14,449,385	7,057,542
Insurance		25,124,435	15,941,642
Directors' Sitting Fees		799,170	757,628
Customs Staff Expenses		23,777,997	20,174,660
Printing and Stationery		9,129,766	8,733,091
Travelling and Conveyance		33,801,501	33,000,350
Motor Car Expenses		9,705,158	7,633,280
Communication		16,008,275	12,792,876
Advertising Expenses		14,969,523	7,953,621
Security Charges		30,111,864	22,149,309
Professional Fees		49,687,063	22,170,772
Auditors' Remuneration:			
- As Auditors	2,700,000		2,450,000
- As advisers, or in any other capacity, in respect of - Other Services	350,000		150,000
- Reimbursement of Out-of-Pocket Expenses	50,227		36,852
		3,100,227	2,636,852
Bad Debts	25,520,035		9,143,246
Less: Provision for Doubtful Debts Adjusted	22,802,526		-
		2,717,509	9,143,246
Advances written off		6,268,976	-
Provision for Doubtful Debts [Refer Note I(xii) - Schedule "T"]		40,426,791	16,825,502
Provision for Doubtful Ground Rent [Refer Note I(xii) - Schedule "T"]		8,433,430	1,734,900
Loss on Sale/ Disposal of Fixed Assets (Net)		3,869,056	413,078
Software Expenses		56,538	120,234
Stamp Duty and Share Issue Expenses		3,936,657	1,723,057
Brokerage and expenses on Buyback of Shares		2,797,854	-
Foreign Exchange Loss (Net) [Refer Note I(vii) - Schedule "T"]		2,685,574	-
Bank Charges		10,275,677	8,172,887
Fruits and Vegetables Project Expenses		-	220,000
Selling and Distribution Expenses		1,030,148	1,487,084
Loss on consignment business [Refer Note 16 - Schedule "T"]		6,385,641	-
Loss from Joint Venture		380,604	-
Preliminary Expenses Written off		36,284	-
Amortisation of Miscellaneous Expenditure		2,196,632	1,864,943
Pre-Operative Expenses Written Off		-	8,496,043
Miscellaneous		6,140,239	6,642,209
		<b>2,850,473,314</b>	<b>1,526,944,577</b>
<b>"S" INTEREST</b>			
Term Loan		172,759,632	16,543,735
Vehicle Finance Loan/ Hire Purchase		14,259,610	2,374,713
Buyer's Credit		1,215,035	-
Term Loan Processing Charges		13,247,240	-
Others		87,272	1,101,768
		<b>201,568,789</b>	<b>20,020,216</b>



**GATEWAY DISTRI PARKS LIMITED**  
**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET**  
**AS AT MARCH 31, 2009 AND THE CONSOLIDATED PROFIT AND LOSS**  
**ACCOUNT FOR THE YEAR THEN ENDED**

**“T” NOTES TO THE ACCOUNTS**

**I. 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, Gateway Rail Freight Limited, Gateway Distriparks (Kerala) Limited and Snowman Frozen Foods Limited (collectively referred to as ‘the Group’) are prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the Accounting Standard 21 on Consolidation of Financial Statements, notified under sub-section (3C) of Section 211 of the Companies Act, 1956, of India (‘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 recognised in the financial statements as goodwill, which is amortised over a period of 10 years on pro-rata basis on a monthly rest. 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.
- The Company consolidates Snowman Frozen Foods Limited as it has majority of directors on the Board.

(b) The subsidiary companies considered in the consolidated financial statements are:

<b>Name of the Company</b>	<b>Country of incorporation</b>	<b>% voting power as at March 31, 2009</b>	<b>% voting power as at March 31, 2008</b>
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)	74% (Shares allotted on November 23, 2004 and on November 22, 2006)
Gateway Distriparks (South) Private Limited (GDSPL)	India	100% (Shares acquired on December 1, 2004)	100% (Shares acquired on December 1, 2004)





**“T” NOTES TO THE ACCOUNTS (Contd.)**

Name of the Company	Country of incorporation	% voting power as at March 31, 2009	% voting power as at March 31, 2008
Gateway Rail Freight Limited (GRFL)	India	89.18% (Shares allotted on November 21, 2006, on March 17, 2008 and on October 24, 2008)	82.97% (Shares allotted on November 21, 2006 and on March 17, 2008)
Gateway Distriparks (Kerala) Limited (GDKL)	India	60% (Shares allotted on March 5, 2007)	60% (Shares allotted on March 5, 2007)
Snowman Frozen Foods Limited (SFFL)	India	48.94% (Shares allotted/ acquired on November 22, 2006)	48.94% (Shares allotted/ acquired on November 22, 2006)

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

- (a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation/ amortisation. 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;
  - 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; and
  - Additions/construction of Building, Electrical Installations, Furniture and Fixtures and Office Equipments at Punjab Conware CFS is 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



**“T” NOTES TO THE ACCOUNTS (Contd.)**

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 Capitalisation:**

Incidental and Pre-operative Expenditure Pending Capitalisation/ Allocation represents expenses incurred prior to commencement of Container Freight Station (CFS) of Gateway Distriparks (Kerala) Limited 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 net assets 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 assets and 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 except for long term liabilities incurred for purchase 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 and Life Insurance Corporation Limited, except for employees of Punjab Conware's CFS, the operations wherein are taken over by the Company under Operations and Management agreement, Snowman Frozen Foods 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 in respect of unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date.



**“T” NOTES TO THE ACCOUNTS (Contd.)**

**(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 recognised 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 and Road transportation is recognised on delivery of container/ cargo.

**(x) 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 asset can be realised. Deferred Tax Asset is not recognised on timing differences, which would arise and expected to be reversed during the period of tax holiday.

**(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 in respect of 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.



**“T” NOTES TO THE ACCOUNTS (Contd.)**

**2. Contingent Liabilities:**

Particulars	(Rs.)	
	2008-09	2007-2008
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.	5,470,175,766	4,906,831,405
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.	57,355,575	52,400,000
Bank Guarantee issued by Bank in favour of Container Corporation of India Limited for the purpose of delivery and collection of Containers.	1,000,000	1,000,000
Counter indemnity for guarantees issued by bank for loans taken by Subsidiary Companies and for the purpose of delivery of Cargo.	2,782,738,580	535,266,035
Claims made by the Party not acknowledged as debts	Not ascertainable	-
- Container Corporation of India Limited Refer Note 13 – Schedule “T” below)		
- Others	34,710,505	1,700,000
<b>Total</b>	<b>8,345,980,426</b>	<b>5,497,197,440</b>

**3. Capital Commitments:**

Estimated amount of contracts (net of advances of Rs. 64,737,704; Previous year Rs. 212,976,619) remaining to be executed on capital account and not provided for is Rs. 1,812,073,702; (Previous year Rs. 4,406,595,545).

**4. Employee Stock Option Plan**

**a) Employee Stock Option Plan, 2005 - I**

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.

The Employee Stock Option Committee formed for the implementation of the plan, at its meeting held on September 15, 2005, granted share warrants entitling options for 240,000 Equity Shares to the eligible employees of the Company at Rs. 163.64 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from September 16, 2005 i.e., the date as specified in the warrant at the time of allotment. With effect from August 4, 2007, consequent to the issue of bonus shares in the ratio of 1 new equity share for every existing 4 equity shares held in the company, the exercise price was reduced by 20% to Rs. 130.92 per share of face value Rs. 10 per share and the warrant holders became eligible to exercise options for additional 25% equity shares, increasing their entitlement to subscribe for additional 24,798 Equity Shares of Rs. 10 each per share.

Of these, options for 132,000 Equity Shares (Previous year 132,000) have lapsed on termination of employment of employees. The Company had allotted 18,800 and 15,000 Equity shares



**“T” NOTES TO THE ACCOUNTS (Contd.)**

on January 31, 2007 and on November 29, 2007, respectively, to employees under Employees Stock Option Plan, 2005. The options for 98,998 Equity Shares (Previous year 98,998) at an exercise price of Rs. 130.92 per equity share were outstanding as on March 31, 2009. The rights under the options would be exercisable for a period of 3 years on graded basis commencing between September 16, 2006 and August 3, 2007 at a price of Rs. 163.64 per share (at premium of Rs. 153.64 per equity share) and between August 4, 2007 and April 1, 2008, at a price of Rs. 130.92 per share (at premium of Rs. 120.92 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India (“SEBI”) has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 (‘SEBI guidelines’), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, 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 being recognised in the Books of Account and amortised over the vesting period.

**b) Employee Stock Option Plan, 2005 - II**

The Employee Stock Option Committee at its meeting held on July 20, 2006, granted share warrants entitling options for 311,750 Equity Shares to the eligible employees of the Company and its Subsidiary Companies at an exercise price of Rs. 136.56 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from July 21, 2006 i.e., the date as specified in the warrant at the time of allotment. With effect from August 4, 2007, consequent to the issue of bonus shares in the ratio of 1 new equity share for every existing 4 equity shares held in the company, the exercise price was reduced by 20% to Rs. 109.25 per share of face value Rs. 10 per share and the warrant holders became eligible to exercise options for additional 25% equity shares, increasing their entitlement to subscribe for additional 65,812 Equity Shares of Rs. 10 each per share.

Of these, options for 116,250 Equity Shares (Previous year 100,125) have lapsed on termination of employment of employees. The Company had allotted 103,825 Equity Shares on August 11, 2007, 12,000 Equity Shares on October 17, 2007 and 3,050 Equity Shares on November 29, 2007, to employees under Employees Stock Option Plan, 2005. The options for 142,437 Equity Shares (Previous year 158,562) at an exercise price of Rs. 109.25 per equity share were outstanding as on March 31, 2009. The rights under the options would be exercisable for a period of 3 years on graded basis commencing between July 21, 2007 and August 3, 2007 at a price of Rs. 136.56 per share (at premium of Rs. 126.56 per equity share) and between August 4, 2007 to April 1, 2009, at a price of Rs. 109.25 per share (at premium of Rs. 99.25 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India (“SEBI”) has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 (‘SEBI guidelines’), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, 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 being recognised in the Books of Account and amortised over the vesting period.

**c) Employee Stock Option Plan, 2005 - III**

The Employee Stock Option Committee at its meeting held on January 30, 2008, granted



**“T” NOTES TO THE ACCOUNTS (Contd.)**

share warrants entitling options for 306,875 Equity Shares to the eligible employees of the Company and its Subsidiary Companies at an exercise price of Rs. 92.92 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from January 31, 2008 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 26,250 Equity Shares (Previous year Nil) have lapsed on termination of employment of employees. The options for 280,625 Equity Shares (Previous year 306,875) at Rs. 92.92 per equity share were outstanding as on March 31, 2009. The rights under the options would be exercisable for a period of 3 years on graded basis commencing between January 31, 2009 and April 1, 2010 at a price of Rs. 92.92 per share (at premium of Rs. 82.92 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India (“SEBI”) has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 (“SEBI guidelines”), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, 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 being recognised in the Books of Account and amortised over the vesting period.

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 current financial year has been determined under “Minimum Alternate Tax” pursuant to Section 115JB of the Income Tax Act.

**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.





**“T” NOTES TO THE ACCOUNTS (Contd.)**

(Rs.)

Particulars	2008-2009				2007-2008				Total
	Container Freight Station	Rail Transportation	Road Transportation	Other Operating Segments	Container Freight Station	Rail Transportation	Road Transportation	Other Operating Segments	
<b>Revenues</b>									
External	2,527,742,049	1,381,357,412	468,382,250	175,954,129	2,061,666,467	281,213,775	256,760,128	140,452,784	2,740,093,154
Inter-Segment	5,631,726	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>2,522,110,323</b>	<b>1,381,357,412</b>	<b>468,382,250</b>	<b>175,954,129</b>	<b>2,061,666,467</b>	<b>281,213,775</b>	<b>256,760,128</b>	<b>140,452,784</b>	<b>2,740,093,154</b>
<b>Result</b>									
Segment result	1,223,213,230	(165,999,938)	52,040,963	36,320,259	876,058,283	(88,434,196)	(15,459,275)	16,998,195	789,163,007
Less: Unallocated expenditure net of unallocated income									33,034,307
Less: Interest expense									20,020,216
Add: Interest income									109,996,658
Add: Profit on sale of investments (Net)									7,815,733
Add: Other Income									2,531,058
<b>Profit before taxation</b>									<b>856,451,933</b>
<b>Segment Assets</b>									
Unallocated Corporate Assets	3,454,648,330	4,409,544,452	470,145,991	417,673,087	3,375,276,741	2,876,943,955	469,328,258	343,545,977	7,065,094,931
<b>Total Assets</b>	<b>3,454,648,330</b>	<b>4,409,544,452</b>	<b>470,145,991</b>	<b>417,673,087</b>	<b>3,375,276,741</b>	<b>2,876,943,955</b>	<b>469,328,258</b>	<b>343,545,977</b>	<b>8,122,950,671</b>
<b>Segment Liabilities</b>									
Unallocated Corporate Liabilities	204,678,323	141,658,398	19,566,843	26,205,647	201,051,252	115,405,475	8,473,237	24,566,803	349,496,767
<b>Total Liabilities</b>	<b>204,678,323</b>	<b>141,658,398</b>	<b>19,566,843</b>	<b>26,205,647</b>	<b>201,051,252</b>	<b>115,405,475</b>	<b>8,473,237</b>	<b>24,566,803</b>	<b>1,315,790,692</b>
<b>Capital Expenditure</b>									
Unallocated Capital Expenditure	229,275,975	1,445,459,060	105,769,366	68,807,928	585,222,426	1,253,671,871	380,473,712	10,390,563	2,229,758,572
<b>Total Capital Expenditure</b>	<b>229,275,975</b>	<b>1,445,459,060</b>	<b>105,769,366</b>	<b>68,807,928</b>	<b>585,222,426</b>	<b>1,253,671,871</b>	<b>380,473,712</b>	<b>10,390,563</b>	<b>2,229,758,572</b>

Figures in bracket indicates loss.

**Secondary Segment:** There is no secondary reportable segment relating to the Group's business.





**“T” NOTES TO THE ACCOUNTS (Contd.)**

**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	2008-2009	2007-2008
Commission to Mr. Prem Kishan Gupta, Deputy Chairman and Managing Director	2,500,000	2,500,000

**8. Directors’ Remuneration:**

Particulars	2008-2009	2007-2008
Commission to Deputy Chairman and Managing Director	2,500,000	2,500,000
Commission to Non Whole- time Directors	9,900,000	8,500,000
Directors’ Sitting Fees	799,170	757,628
<b>Total</b>	<b>13,199,170</b>	<b>11,757,628</b>

9. The Company has entered into cancelable leasing arrangements for use of office premises. The Lease rental of Rs. 30,781,650 (Previous Year Rs. 3,568,516) has been included under the head ‘Operating and Other Expenses – Rent’ under Schedule “R” in the Profit and Loss Account.

The Company has various operating leases for office facilities, warehouses and residential premises for employees that are renewable on a periodic basis and cancellable at its option, except for five lease agreements which are of non cancelable nature. Rental expenses for operating lease recognised in the Profit and Loss Account for the year is Rs 15,995,390 (Previous Year Rs. 10,194,793).

- a) Disclosures under Accounting Standard 19 in respect of non cancelable operating leases are as below:

	2008-2009 Rs.	2007-2008 Rs.
Total Future minimum lease payments under non cancellable operating lease	104,587,898	15,598,735
Not later than one year	20,520,779	3,499,625
Later than one year and not later than five years	60,349,880	12,099,110
Later than five years	23,717,239	-

- b) Installments of secured loans (Hire Purchase) falling due is as follows:

	2008-2009 Rs.	2007-2008 Rs.
Not later than one year	10,413,936	1,722,047
Later than one year and not later than five years	22,508,712	1,003,403
Later than five years	-	-



**“T” NOTES TO THE ACCOUNTS (Contd.)**

**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	2008-2009 Rs.	2007-2008 Rs.
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)	795,757,845	735,595,377
II. Weighted average number of Equity Shares for Earnings per Share computation		
For Basic Earnings Per Share	112,268,227	115,538,671
Add : Weighted average outstanding employee stock options deemed to be issued for no consideration	-	117,984
No. of Shares for Diluted Earnings Per Share	112,268,227	115,656,655
III. Earnings Per Shares in Rupees (Weighted Average)		
Basic	7.09	6.37
Diluted	7.09	6.36

11. 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.
12. Gateway Rail 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. 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”) in respect of 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” in respect of the operations at Garhi Harsaru, Gurgaon.



**“T” NOTES TO THE ACCOUNTS (Contd.)**

**14. Provision for Contingencies**

Particulars			(Rs.)
	Indirect Taxes (Refer note below)	Others (Refer note below)	Total
<b>Opening Balance</b>	-	<b>16,809,197</b>	<b>16,809,197</b>
Add: Provision Made	4,778,778	16,271,263	21,050,041
Less: Amounts Utilised	-	-	-
Less: Provision Reversed	-	-	-
<b>Closing Balance</b>	<b>4,778,778</b>	<b>33,080,460</b>	<b>37,859,238</b>

**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 sub-section (3C) of Section 211 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.

15. The Subsidiary Company – Snowman Frozen Foods Limited has obtained Central Government approval dated March 31, 2009 under Section 269 for appointment of Manager of the Company for a period of three years w.e.f. May 27, 2008 at a remuneration of Rs. 387,750 per month. However, since the remuneration paid has been higher than the aforesaid limits, the subsidiary company has filed a revised application with Central Government dated May 28, 2009 seeking approval for the excess remuneration amounting to Rs. 1,271,514 and the same is pending consideration.
16. The Subsidiary Company is in the process of reconciling its accounts with consignment parties. Pending final reconciliation with the parties, the Management, on its best judgment has estimated an amount of Rs. 6,385,641 as the impact of adjustments, which has been accounted for as loss on consignment business in the books.
17. Sundry debtors’ balances in the books of subsidiary company of Rs. 104,153,475 are subject to confirmation and their subsequent reconciliation/ review. In the opinion of the Management, the provision for doubtful debts, amounting to Rs. 36,158,534 against the same as on March 31, 2009 is considered adequate.
18. Sundry Debtors in the books of subsidiary company include Rs. 45,555,692 (net of provision for doubtful debts Rs. 2,799,358) recoverable from a customer which is overdue for long period of time. Due to economic recession, the payment from aforesaid customer is not forthcoming regularly. In opinion of the Management, the provision for doubtful debts aggregating Rs. 2,799,358 against the same is considered adequate and expects to collect balance amount by December 31, 2009.
19. The Subsidiary Company – Snowman Frozen Foods Limited had entered into a memorandum of understanding with ITC Limited and Thermo King India Private Limited to pool in their respective expertise and resources to operate a pilot project over a period of 18 months for a Fruits & Vegetables supply chain. The project got over in the last year and the Company has been making efforts to recover the outstanding balance of Rs. 5,247,697 representing expenditure incurred for the project.
20. According to the notification G.S.R. 225 (E) dated March 31, 2009, the Accounting Standard, (AS 11) “The effects of changes in Foreign Exchange Rates” has been amended to allow:
  - Exchange Gain/ Loss to be amortised over the useful life of acquired assets



## “T” NOTES TO THE ACCOUNTS (Contd.)

- and in other cases, accumulated in a “Foreign Currency Monetary items translation difference account” and amortised over the balance period of such long term Asset/ Liability. In the current year, exchange loss of Rs. 6,279,799 arising on reporting of long term foreign currency monetary items relating to fixed assets has been added to the cost of fixed assets in accordance with the Notification mentioned above. Had the subsidiary Company not opted for this Notification, the loss for the year would have been higher by Rs. 5,981,509 after considering the adjustment of depreciation thereon of Rs. 298,290 which is debited to Profit and Loss Account.

### 21. 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

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

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

- Employers’ Contribution to Provident Fund \* Rs. 10,983,270 (Previous year: Rs. 9,195,714) [Includes EDLI charges and Employers’ Contribution to Employee’s Pension Scheme 1995]

\* 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 in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

	(% per annum)	
	2008-2009	2007-2008
Discount Rate	7-8	8-8.25
Rate of increase in Compensation Levels	5-8	5-8
Rate of Return on Plan Assets	8	8

Particulars	2008-2009		2007-2008	
	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	5,855,388	3,961,762	4,655,687	1,229,201
Interest Cost	520,679	354,480	409,442	247,437
Current Service Cost	1,817,640	1,694,994	1,969,312	2,400,217
Past Service Cost	-	-	-	-
Curtailement Cost/ (Credit)	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-
Benefits Paid	(353,556)	-	(847,926)	(52,942)



**“T” NOTES TO THE ACCOUNTS (Contd.)**

Particulars	2008-2009		2007-2008	
	Funded Rs.	Non - Funded Rs.	Funded Rs.	Non- Funded Rs.
Actuarial (Gain)/ Loss on Obligations	858,445	286,773	(331,127)	137,849
Present Value of Obligation at the end of the year	8,698,596	6,298,009	5,855,388	3,961,762
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as at beginning of the year	3,629,630	-	2,508,715	-
Expected Return on Plan Assets	363,409	-	240,745	-
Actuarial Gain/ (Loss) on Plan Assets	(365,788)	-	158,296	-
Contributions	1,494,680	-	1,569,800	-
Benefits paid	(353,556)	-	(847,926)	-
Fair Value of Plan Assets as at end of the year	<b>4,768,375</b>	-	<b>3,629,630</b>	-

**Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2009**

The Plan Assets are administered by Tata AIG Life Insurance Company Limited and Life Insurance Corporation 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**

Present Value of Funded Obligation as at end of the year	8,698,595	6,298,009	5,855,388	3,961,762
Fair Value of Plan Assets as at end of the year	4,768,375	-	3,629,630	-
Funded (Asset)/ Liability recognised in the Balance Sheet	(4,768,375)	-	(3,629,630)	-
Present Value of Unfunded Obligation as at end of the year	3,930,220	6,298,009	2,225,758	3,961,762
Unrecognised Past Service Cost	-	-	-	-
Unrecognised Actuarial (Gain)/ Loss	-	-	-	-
<b>Unfunded Net (Asset)/ Liability Recognised in Balance Sheet**</b>	<b>3,930,220</b>	<b>6,298,009</b>	<b>2,225,758</b>	<b>3,961,762</b>

\*\* Included under Provisions “Gratuity” (Refer Schedule “M”)

**Amount recognised in the Balance Sheet**

Present Value of Obligation as at end of the year	8,698,595	6,298,009	5,855,388	3,961,762
Fair Value of Plan Assets as at end of the year	4,768,375	-	3,629,630	-
<b>(Asset)/ Liability recognised in the Balance Sheet***</b>	<b>3,930,220</b>	<b>6,298,009</b>	<b>2,225,758</b>	<b>3,961,762</b>

\*\*\* Included under Provisions “Gratuity” (Refer Schedule “M”)



**“T” NOTES TO THE ACCOUNTS (Contd.)**

Particulars	2008-2009		2007-2008	
	Funded Rs.	Non- Funded Rs.	Funded Rs.	Non- Funded Rs.
<b>Expenses Recognised in the Profit and Loss Account</b>				
Current Service Cost	1,817,640	1,694,994	1,969,312	2,400,217
Past Service Cost	-	-	-	-
Interest Cost	520,678	354,480	409,442	247,437
Expected Return on Plan Assets	(363,409)	-	(240,745)	-
Curtailment Cost/ (Credit)	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-
Net actuarial (Gain)/ Loss recognised in the year	1,224,233	286,773	(489,423)	137,849
<b>Total Expenses recognised in the Profit and Loss Account****</b>	<b>3,199,142</b>	<b>2,336,247</b>	<b>1,648,586</b>	<b>2,785,503</b>
<b>Expected Contribution for Next Year</b>	<b>1,887,619</b>	<b>-</b>	<b>1,493,980</b>	<b>-</b>

\*\*\*\* Included in Gratuity (Refer Schedule “Q”)

The liability for leave encashment and compensated absences as at year end is Rs. 8,807,238 (Previous year: Rs. 5,567,329).

22. 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 Accounts.

**Uday Shah**  
Partner  
Membership No. F-46061  
For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

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: Delhi  
Date: June 24, 2009

Place: Delhi  
Date: June 24, 2009



## INFORMATION RELATED TO SUBSIDIARY COMPANIES

[As per exemption letter dated 14 May 2009 from the Government of India, Ministry of Corporate Affairs, under Section 212(8) of the Companies Act, 1956]

S. No.	Particulars	Gateway East India Private Limited	Gateway Distriparks (South) Private Limited	Gateway Rail Freight Limited	Gateway Distriparks (Kerala) Limited	Snowman Frozen Foods Limited
1	Paid-up Share Capital	80,000,000	9,900,000	2,000,000,000	500,000	823,370,000
2	Share Application Money	1,764,087	-	1,140,945,981	192,561,700	-
3	Reserves & Surplus	40,000,000	228,199,899	-	-	57,720,000
4	Debit Balance in Profit and Loss Account	8,341,517	-	345,660,302	1,872,236	187,309,146
5	Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	6,938,283	108,850	-
6	Total Assets	138,986,294	270,265,616	4,941,929,889	191,365,030	740,230,121
7	Total Liabilities	25,563,724	32,165,717	2,153,582,493	284,416	46,471,267
8	Investments	-	-	-	-	22,000
9	Turnover	74,975,241	294,046,786	1,837,837,090	-	347,869,373
10	Profit before taxation (Profit / (Loss))	9,486,197	130,946,335	(259,533,483)	(1,305,425)	16,378,577
11	Provision for taxation	352,444	18,690,650	3,410,915	(458,459)	1,290,000
12	Profit after taxation (Profit / (Loss))	9,133,753	112,255,685	(262,944,398)	(846,966)	15,088,577
13	Proposed Dividend	-	-	-	-	-

**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

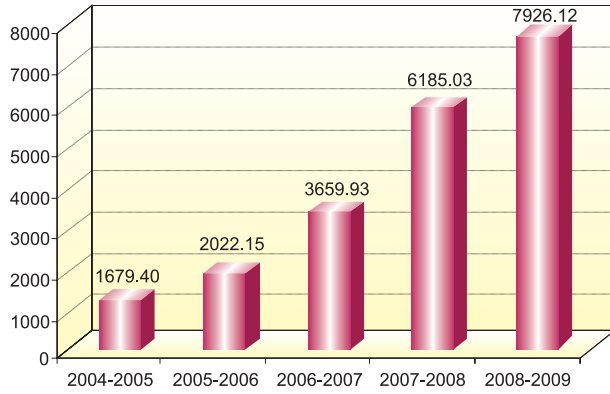
Place: Delhi  
Date : June 24, 2009



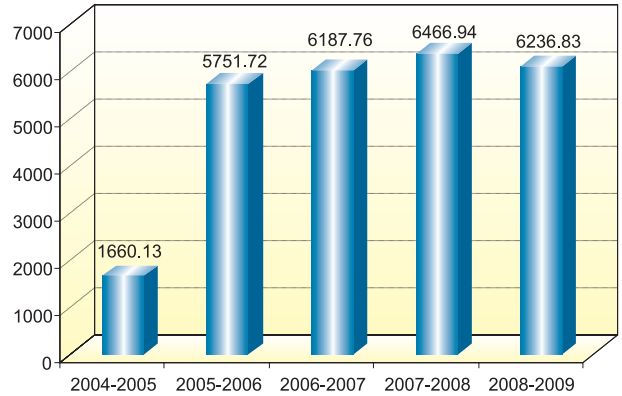


# CONSOLIDATED RESULTS AT A GLANCE

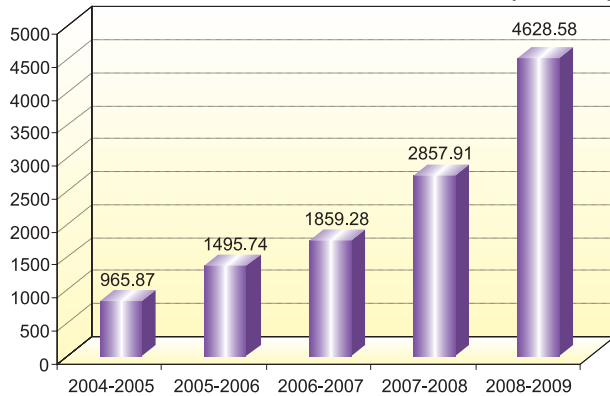
**Fixed Assets (Net Block) (Rs. in mn)**



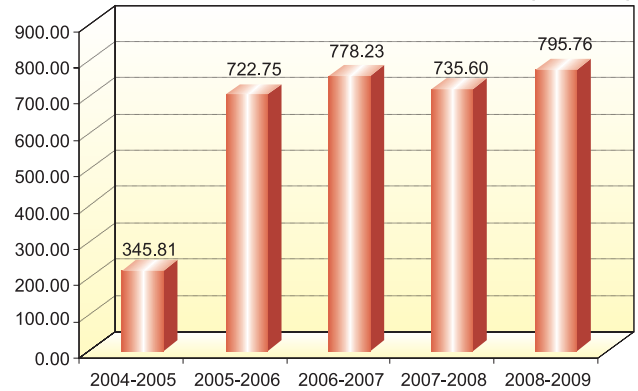
**Networth (Rs. in mn)**



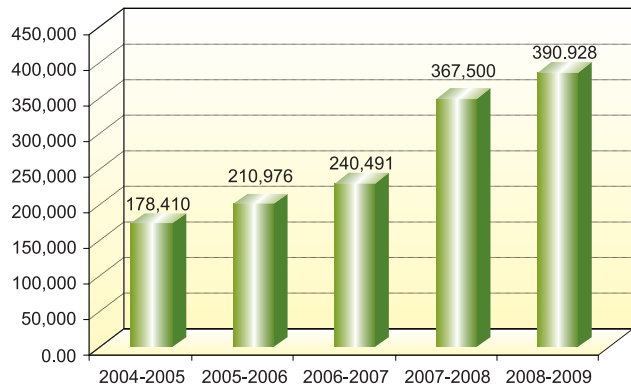
**Total Income (Rs. in mn)**



**PAT (Rs. in mn)**



**TEUs No.**





Gateway Distriparks Ltd.  
Sector 6, Dronagiri,  
Taluka Uran, District Raigad,  
Navi Mumbai- 400 707.