

**Independent Auditor's Report on accounting treatment contained in draft composite Scheme of amalgamation amongst Gateway Distriparks Limited and Gateway East India Private Limited and Gateway Rail Freight Limited and their respective shareholders**

The Board of Directors,  
Gateway Distriparks Limited  
Sector - 6, Dronagiri, Taluka - Uran,  
District Raigad, Navi Mumbai - 400 707

1. This report is issued in accordance with the terms of the service scope letter dated September 11, 2020 and Master Engagement Agreement dated August 04, 2017 as amended between S.R. Batliboi & Co LLP ("we" or "us" or "SRBC") with Gateway Distriparks Limited (hereinafter the "Company").
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 16 of Part C and Clause 25 of Part D of the draft Composite Scheme of Amalgamation, which inter-alia provides for amalgamation of Gateway East India Private Limited ("the Transferor Company 1") with Gateway Distriparks Limited ("Transferee Company 1") and amalgamation of merged Gateway Distriparks Limited ("Transferor Company 2") (post amalgamation of the Transferor Company 1 with the Transferee Company 1) with Gateway Rail Freight Limited ("Transferee Company 2") and their respective shareholders under sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as the "Scheme"), in terms of the provisions of Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all applicable Accounting Standards notified by the Central Government under the Act and Other Generally Accepted Accounting Principles.
3. The attached Scheme (Annexure A) is prepared by the Company which is required to be submitted by the Company to the National Company Law Tribunal ("NCLT") constituted under the Act which we have annexed with this report for identification purposes.

**Management's Responsibility**

4. The Board of Directors of the Company are responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards as aforesaid and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. This responsibility includes the design implementation and maintenance of internal control relevant to the preparation of the Scheme.

**Auditor's Responsibility**

5. Our responsibility is to examine and report whether the accounting treatment prescribed in the Scheme is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and circulars issued thereunder and all applicable accounting standards prescribed under section 133 of the Act and Other Generally Accepted Accounting Principles.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. Accordingly, we have performed the following procedures:
  - a. Read the Scheme and the proposed accounting treatment as specified in Clause 16 of Part C and Clause 25 of Part D of the Scheme and obtained other necessary information and explanations from the management.
  - b. Examined the Accounting Treatment prescribed in the Scheme and assessed whether the same is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and circulars issued thereunder and all applicable accounting standard prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles.
9. Our examination did not extend to any aspects of a legal or propriety nature covered in clause 16 of Part C and Clause 25 of Part D of the Scheme. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
10. Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such opinion.

**Opinion**

11. Read with paragraph 5 above and based on procedures performed by us as mentioned in paragraph 8 above and according to the information and explanations given to us, we confirm that the accounting treatment contained in Clause 16 of Part C and Clause 25 of Part D of the aforesaid scheme (refer Annexure A) is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under section 133 of the Act, Companies (Accounts) Rules, 2015 (as amended) and Other Generally Accepted Accounting Principles.

**Restriction on Use**

12. This certificate has been prepared at the request of the Company solely for the purpose to comply with the requirements of the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for onward submission to the National Company Law Tribunal, BSE and NSE and other regulatory authorities in connection with the Scheme of amalgamation as referred to in paragraph 2 above. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**VISHAL**  
**SHARMA**

Digitally signed by  
VISHAL SHARMA  
Date: 2020.09.28  
16:54:51 +05'30'

**per Vishal Sharma**

Partner

Membership Number: 96766

UDIN: 20096766AAAACL3220

Place of Signature: Faridabad

Date: 28 September 2020



Relevant extract of the Composite Scheme of Amalgamation amongst Gateway Distriparks Ltd and Gateway East India Private Limited and Gateway Rail Freight Limited and their respective Shareholders for Amalgamation of Gateway East India Private Limited and Gateway Distriparks Limited into Gateway Rail Freight Limited in terms of provisions of sections 230 to 232 read with other applicable provisions of Companies Act, 2013 and rules made thereunder.

## Annexure A

### 16. ACCOUNTING TREATMENT

- 16.1 Upon the Scheme coming into effect, the Transferee Company 1 shall account for the amalgamation of the Transferor Company 1 in accordance with "Pooling of Interest Method" as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 16.1.1 The Transferee Company 1 shall record the assets and liabilities, if any, of the Transferor Company 1 vested in it pursuant to Part C of this Scheme, at the carrying values as appearing in the consolidated financial statements of Transferee Company 1.
- 16.1.2 The identity of the reserves shall be preserved and the Transferee Company 1 shall record the reserves of the Transferor Company 1, at the carrying amount as appearing in the consolidated financial statements of Transferee Company 1
- 16.1.3 Pursuant to the amalgamation of the Transferor Company 1 with the Transferee Company 1, inter-company balances between Transferee Company 1 and the Transferor Company 1, if any, appearing in the books of the Transferee Company 1 shall stand cancelled.
- 16.1.4 The value of all investments held by the Transferee Company 1 in the Transferor Company 1 shall stand cancelled pursuant to amalgamation.
- 16.1.5 The surplus/deficit, if any arising after taking the effect of clause 16.1.1, 16.1.2 and 16.1.4, after giving the effect of the adjustments referred to in clause 16.1.3, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company and should be presented separately from other capital reserves.
- 16.1.6 In case of any differences in accounting policies between the Transferor Company 1 and the Transferee Company 1, the accounting policies followed by the Transferee Company 1 shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 16.1.7 Comparative financial information in the financial statements of the Transferee Company 1 shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period.
- 16.1.8 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed, i.e., the control is transferred in accordance with the requirements of Ind AS-103.

### Registered Office :

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

Tel : +91-2724 6500 • Fax : +91-22-2724 6538 • E-mail : [gdlefs@gateway-distriparks.com](mailto:gdlefs@gateway-distriparks.com) • Website : [www.gateway-distriparks.com](http://www.gateway-distriparks.com)  
CIN : L74899MH1994PLC164024



## 25. ACCOUNTING TREATMENT

- 25.1 Upon the Scheme coming into effect, the Transferee Company 2 shall account for the amalgamation of the Transferor Company 2 in accordance with "Pooling of Interest Method" (after giving effect to Clause 16 of Part C above) as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 25.1.1 The Transferee Company 2 shall record the assets and liabilities, if any, of the Transferor Company 2 vested in it pursuant to Part D of this Scheme, at the carrying values as appearing in the consolidated financial statements of Transferor Company 2.
- 25.1.2 The identity of the reserves shall be preserved and the Transferee Company 2 shall record the reserves of the Transferor Company 2, at the carrying amount as appearing in the consolidated financial statements of Transferor Company 2.
- 25.1.3 Pursuant to the amalgamation of the Transferor Company 2 with the Transferee Company 2, inter-company balances between Transferee Company 2 and the Transferor Company 2, if any, appearing in the books of the Transferee Company 2 shall stand cancelled.
- 25.1.4 The value of all investments held by the Transferor Company 2 in the Transferee Company 2 shall stand cancelled pursuant to amalgamation.
- 25.1.5 The face value of new equity shares issued by the Transferee Company 2 to the shareholders of the Transferor Company 2 pursuant to Clause 24 of this Part D above shall be credited to the Equity Share Capital Account of the Transferee Company 2;
- 25.1.6 The surplus/deficit, if any arising after taking the effect of clause 25.1.1, 25.1.2, 25.1.4 and 25.1.5, after giving the effect of the adjustments referred to in clause 25.1.3, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company 2 and should be presented separately from other capital reserves.
- 25.1.7 In case of any differences in accounting policies between the Transferor Company 2 and the Transferee Company 2, the accounting policies followed by the Transferee Company 2 shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies
- 25.1.8 Comparative financial information in the financial statements of the Transferee Company 2 shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period.
- 25.1.9 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed, i.e., the control is transferred in accordance with the requirements of Ind AS-103.

For Gateway Distriparks Limited



Sandeep Kumar Shaw  
CFO



**The Board of Directors****Gateway East India Private Limited  
Sector - 6, Dronagiri, Taluka - Uran,  
District Raigad, Navi Mumbai – 400 707**

1. We, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Gurugram, are the statutory auditors of Gateway East India Private Limited (the “Company” or “the Transferor Company”).
2. In respect of the draft Composite Scheme of Amalgamation amongst the Transferor Company and Gateway Distriparks Limited (“the Transferee Company”) and Gateway Rail Freight Limited and their respective shareholders under sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as “Scheme”), we have been requested by the management of the Company to issue a certificate confirming that the accounting treatment mentioned in the Scheme is in conformity with the applicable accounting standards.
3. It should be noted that the Company is a Transferor Company in the Scheme; and upon the scheme becoming effective, the Company shall cease to exist. The accounting treatment mentioned in the Scheme is only with regard to the accounting treatment to be carried out in the books of the Transferee Company. Accordingly, we understand that a certificate confirming that the accounting treatment mentioned in the Scheme is in conformity with the applicable accounting standards can only be issued by the statutory auditors of the Transferee Company. We understand that the same has been issued by the auditors of the Transferee Company.
4. We hereby provide our consent for onward filing of this letter with the jurisdictional bench of the National Company Law Tribunal and/or Central Government and /or any other concerned statutory or regulatory authority, if and as required.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/ E300005

**VISHAL** Digitally signed by  
VISHAL SHARMA  
**SHARMA** Date: 2020.09.28  
16:57:00 +05'30'

**per Vishal Sharma**

Partner

Membership No.: 96766

Place of signature: Faridabad

Date: 28 September 2020

**Independent Auditor's Report on accounting treatment contained in draft composite Scheme of amalgamation amongst Gateway Distriparks Limited and Gateway East India Private Limited and Gateway Rail Freight Limited and their respective shareholders**

The Board of Directors,  
Gateway Rail Freight Limited  
Sector - 6, Dronagiri, Taluka - Uran,  
District Raigad, Navi Mumbai - 400 707

1. This report is issued in accordance with the terms of the service scope letter dated September 11, 2020 and Master Engagement Agreement dated August 01, 2017 as amended between S.R. Batliboi & Co LLP ("we" or "us" or "SRBC") with Gateway Rail Freight Limited (hereinafter the "Company").
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 25 of Part D of the draft Composite Scheme of Amalgamation, which inter-alia provides for amalgamation with Gateway Distriparks Limited ("Transferor Company 2" or "GDL") (post amalgamation of Gateway East India Private Limited with GDL) with Gateway Rail Freight Limited ("Transferee Company 2") and their respective shareholders under sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as the "Scheme"), in terms of the provisions of Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all applicable Accounting Standards notified by the Central Government under the Act and Other Generally Accepted Accounting Principles.
3. The attached Scheme (Annexure A) is prepared by the Company which is required to be submitted by the Company to the National Company Law Tribunal ("NCLT") constituted under the Act which we have annexed with this report for identification purposes.

**Management's Responsibility**

4. The Board of Directors of the Company are responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards as aforesaid and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. This responsibility includes the design implementation and maintenance of internal control relevant to the preparation of the Scheme.

**Auditor's Responsibility**

5. Our responsibility is to examine and report whether the Accounting Treatment prescribed in the Scheme is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and circulars issued thereunder and all applicable accounting standards prescribed under section 133 of the Act and Other Generally Accepted Accounting Principles.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. Accordingly, we have performed the following procedures:
  - a. Read the Scheme and the proposed accounting treatment as specified in Clause 25 of Part D of the Scheme and obtained other necessary information and explanations from the management.
  - b. Examined the Accounting Treatment prescribed in the Scheme and assessed whether the same is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and circulars issued thereunder and all applicable accounting standard prescribed under Section 133 of the Act and other Generally Accepted Accounting Principles.
9. Our examination did not extend to any aspects of a legal or propriety nature covered in clause 25 of Part D of the Scheme. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
10. Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this certificate. Accordingly, we do not express such opinion.

## **Opinion**

11. Read with paragraph 5 above and based on procedures performed by us as mentioned in paragraph 8 above and according to the information and explanations given to us, we confirm that the accounting treatment contained in clause 25 of Part D of the aforesaid scheme (refer Annexure A) is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under section 133 of the Act, Companies (Accounts) Rules, 2015 (as amended) and Other Generally Accepted Accounting Principles.

**Restriction on Use**

12. This certificate has been prepared at the request of the Company solely for the purpose to comply with the requirements of the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for onward submission to the National Company Law Tribunal, BSE and NSE and other regulatory authorities in connection with the Scheme of amalgamation as referred to in paragraph 2 above. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**VISHAL**  
**SHARMA**

Digitally signed

by VISHAL

SHARMA

Date: 2020.09.28

16:59:52 +05'30'

**per Vishal Sharma**

Partner

Membership Number: 96766

UDIN: 20096766AAAACM5076

Place of Signature: Faridabad

Date: 28 September 2020

Relevant extract of the Composite Scheme of Amalgamation amongst Gateway Distriparks Ltd and Gateway East India Private Limited and Gateway Rail Freight Limited and their respective Shareholders for Amalgamation of Gateway East India Private Limited and Gateway Distriparks Limited into Gateway Rail Freight Limited in terms of provisions of sections 230 to 232 read with other applicable provisions of Companies Act, 2013 and rules made thereunder.

**Annexure A**

**25. ACCOUNTING TREATMENT**

- 25.1 Upon the Scheme coming into effect, the Transferee Company 2 shall account for the amalgamation of the Transferor Company 2 in accordance with "Pooling of Interest Method" (after giving effect to Clause 16 of Part C above) as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 25.1.1 The Transferee Company 2 shall record the assets and liabilities, if any, of the Transferor Company 2 vested in it pursuant to Part D of this Scheme, at the carrying values as appearing in the consolidated financial statements of Transferor Company 2.
- 25.1.2 The identity of the reserves shall be preserved and the Transferee Company 2 shall record the reserves of the Transferor Company 2, at the carrying amount as appearing in the consolidated financial statements of Transferor Company 2.
- 25.1.3 Pursuant to the amalgamation of the Transferor Company 2 with the Transferee Company 2, inter-company balances between Transferee Company 2 and the Transferor Company 2, if any, appearing in the books of the Transferee Company 2 shall stand cancelled.
- 25.1.4 The value of all investments held by the Transferor Company 2 in the Transferee Company 2 shall stand cancelled pursuant to amalgamation.
- 25.1.5 The face value of new equity shares issued by the Transferee Company 2 to the shareholders of the Transferor Company 2 pursuant to Clause 24 of this Part D above shall be credited to the Equity Share Capital Account of the Transferee Company 2;
- 25.1.6 The surplus/deficit, if any arising after taking the effect of clause 25.1.1, 25.1.2, 25.1.4 and 25.1.5, after giving the effect of the adjustments referred to in clause 25.1.3, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company 2 and should be presented separately from other capital reserves.
- 25.1.7 In case of any differences in accounting policies between the Transferor Company 2 and the Transferee Company 2, the accounting policies followed by the Transferee Company 2 shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies

*[Handwritten Signature]*



25.1.8 Comparative financial information in the financial statements of the Transferee Company 2 shall be restated for the accounting impact of amalgamation, as stated above, as if the amalgamation had occurred from the beginning of the comparative period.

25.1.9 For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the transfer of business are completed, i.e., the control is transferred in accordance with the requirements of Ind AS-103.

For **Gateway Rail Freight Limited**



**Nandan Chopra**  
**Authorized Signatory**