

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 11th Annual Report on the business and operations of the Company together with audited financial statements for the Financial Year ended March 31, 2016.

(1) **Financial highlights/performance of the Company:**

Particulars	FY 2015-16	FY 2014-15
	(in rupees Cr.)	(in rupees Cr.)
Total Revenue	742.33	699.13
Profit Before Finance Charges and Depreciation	155.42	177.69
Finance Charges	13.19	11.05
Depreciation	49.84	47.47
Profit/(Loss) for the year	92.39	119.17
Income Tax and Wealth Tax	31.70	14.28
Profit / (Loss) after Tax	60.68	104.89
Accumulated Profit / (Loss) – Opening Balance	154.83	50.89
Balance Carried over to Balance Sheet	215.52	155.78

State Of Company's Affairs

Your Company has emerged as India's largest private sector container train operator. Your Company provides container logistics solutions between major Indian ports and Inland Container Depots (ICD) by providing rail services for Export, Import containers and Domestic containerised cargo, integrated with road transportation, custom clearance, transit and bonded warehousing. It also provides refrigerated container (reefer) transportation service and other value added services.

Your Company operates from its three own Inland Container Depots at Gurgaon, Ludhiana and Faridabad and a terminal at Navi Mumbai under co-use agreement. It owns and operates 23 train-sets (21 Owned + 2 on long term lease) and a fleet of 263 trailers for providing these services to the customers. The Company has adequate infrastructures at ICDs.

Further, there is no change in the nature of business of your company during the year.

Operational Performance

During the year, your Company has achieved the throughput of 1,07,058 TEUs (Previous Year 1,07,649 TEUs) at its Inland Container Terminal at Gurgaon, 84,720 TEUs (Previous year 1,26,252 TEUs) at Inland Container Terminal at Ludhiana and 5,288 TEUS (Previous Year 2,458) at Inland Container Terminal at Faridabad. The Faridabad Inland Container Depot of the Company has started building up the volumes at its Inland Container Terminal.

During the FY 2015- 16, the profitability has been adversely affected due to Macro Economic Situation and Competitive pressure on prices and margins. Further flash floods in Gujrat has resulted in parts of Railway Line getting displaced resulting in part of Railway Line being swapped away. The rail operations were suspended during this period. Further Jat agitation in January has also resulted in suspension of work rail operations.

Your Company understands the importance of infrastructure in container rail logistics business and is committed to developing a network of rail terminals at various strategic locations throughout the country. Your Company aims at providing a one-stop integrated intermodal solution to its customers nationwide through use of technology, world class infrastructure and services.

Financial Highlights

During the financial year 2015-16, your Company has achieved Revenue of Rs. 742.33 Cr. (Rs. 699.13 Cr. in FY 14-15) an increase of 6.2 % over FY 2014-15. In FY 2015-16, the Earnings Before Interest, Taxes and Depreciation & Amortization (EBIDTA) was Rs. 155.42 Cr. (12.5% less than Rs. 177.68 Cr. FY 14-15). This is 21% of revenue as compared to 25% in FY 2014-15.

Over the last Five years the revenue CAGR has been 10.2% and in EBIDTA has been 16.7%.

Material changes and commitments affecting financial position between the end of the financial year and date of the report

There have been no material changes and commitments that have occurred between the end of the financial year of the Company to which the financial statements relates and the date of this report which affects the financial position of the Company.

(2) Consolidated Accounts

The Consolidated Financial Statements of your Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013 and Accounting Standards. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiary/joint venture company, as approved by their respective Board of Directors.

(3) Details of Subsidiary/Joint Ventures/Associate Companies and their financial position

The Company has 51% equity shareholding in Container Gateway Limited ('CGL') which is a joint venture between your Company and Container Corporation of India Limited (CONCOR). CGL has not started business since incorporation due to dispute between the Company & CONCOR.

An arbitration proceeding on the matter of dispute between CONCOR and your Company with respect to Joint Venture agreement is underway since 2008.

Further, there is no associate company as per Section 2(6) of the Companies Act, 2013 and there are no companies, which have become or ceased to be the associate company during the year.

Further, Form AOC – 1 containing the salient features of Financial Statements of the Subsidiary Company/ Joint Venture Company is attached as 'Annexure A'.

(4) Dividend & Reserves

During the year under review, your Company does not recommend any dividend. Further your company has not made any transfer to reserves during the year under review.

(5) Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

During the year under, review the Company has not made any loans, guarantees or investments under Section 186 of the Companies Act, 2013.

(6) Internal Control system and their adequacy:

The Company makes use of IT enabled software in its operations, accounts 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 Company.

The internal audit is entrusted to Axis Risk Consultancy Private Ltd. The main thrust of internal audit is to test and review controls, appraisal of risks and business practices. During the year, no reportable weakness in the operations and accounting were observed and your Company has adequate internal financial controls with reference to its Financial Statements.

(7) Particulars of contracts or arrangements or transaction with related parties:

There has been no material Contract or arrangement or transaction with related parties which requires disclosure in form AOC-2.

Further, as per board of directors of the company, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

(8) Risk management policy

Your Board of Directors has put in place a Risk Management Policy of the Company, which includes Business Environment, Market and Competition risk, Future Capacity Extension risk, Technology risk, IT risk, Interest Rate risk, Commercial risk, Project execution and Capital allocation risk and Regulatory, Taxation, Law and terrorism risk and also includes periodic review of such risk, mitigating controls and reporting mechanism of all risks and their minimization procedures. There are no specific risks, which in the opinion of the Board, threaten the very existence of your Company.

(9) Auditors

M/s Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company, was appointed by the members of the Company in its last Annual General Meeting held on September 23, 2014 for a period of three years viz. upto the conclusion of twelfth Annual General Meeting.

In terms of Section 139 of the Companies Act, 2013, their appointment needs to be ratified by the members at every Annual General Meeting of the Company.

Your Company has received written consent and certificate from M/s Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the ratification, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder.

(10) Auditors' Report

The Auditor has not made any adverse remarks, reservation, disclaimer or qualification in the Auditors Report and general remarks are in the nature of facts.

The auditor report and notes on accounts referred to in Auditors Report are self-explanatory and, therefore, do not call for any further explanation.

(11) Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s SGS Associates, Company Secretaries in practice to conduct the Secretarial Audit of your Company for the Financial Year 2015-16.

The Secretarial Audit Report is annexed herewith as “**Annexure – F**” to this Report.

The Secretarial Audit Report does not contain any adverse remarks, reservation, disclaimer or qualification.

(12) Frauds Reported by Auditors, which are committed against the company by officers or employees of the company other than those which are reportable to the Central government

There are no frauds reported by the Auditor which are committed against the Company by officers or employees of the Company.

(13) Directors:

Appointments:

During the Financial Year 2015-16, Mrs. Mamta Gupta and Mr. Samvid Gupta have been appointed as Additional/Non-Executive Directors of your Company at the meeting of Board of Directors held on November 5, 2015.

Your Board has recommended the appointment of Mrs. Mamta Gupta and Mr. Samvid Gupta as Directors of your Company at the ensuing Annual General Meeting.

Further, in compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Arun Kumar Gupta has been appointed as Additional/Non-Executive Director in the category of Independent Director by the Board of Directors in its meeting held on November 5, 2015.

The Board of Directors in its meeting held on 26th April, 2015, recommended the re-appointment of Mr. Shabbir Hakimuddin Hassanbhai as Independent Director of your Company at the ensuing Annual General Meeting.

Resignations:

During the Financial Year 2015-16, Ms. Chitra Gouri Lal, Mr. Gopinath Pillai and Mr. Sat Pal Khattar have resigned from the Directorship of your Company w.e.f. August 19, 2015, October 5, 2015 and October 15, 2015 respectively.

The Board places on record its appreciation for their valuable contribution during their association with your Company.

Mr. Richard Blaise Sadanha and Mr. Gurdeep Singh, are liable to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013

read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of your Company and being eligible have offered themselves for re-appointment. Your Directors recommend their re-appointment as Non-Executive Directors.

Key Managerial Personnel

During the financial year 2015-16, there is no change in the Key Managerial Personnels of your Company.

Annual Evaluation of Board's Performance

Your Company has formulated Board Evaluation Policy and evaluations are being done by Board and Nomination and Remuneration Committee pursuant to applicable provisions of Companies Act, 2013.

The performance evaluation criteria of the Board include growth in Business volumes and profitability, compared to earlier periods, growth over the previous years through and fairness in Board Decision making processes. The performance evaluation criteria of Individual Directors and Committees include awareness to responsibilities, duties as director, attendance record and intensity of participation at meetings, Quality of interventions, special contributions and inter-personal relationships with other Directors and management. The exclusive meeting of Independent Directors evaluate the performance of the Board, Committees of Board, non-Independent Directors & the Chairman. The Board evaluated the performance of Independent Directors based on their attendance record, contributions, their interventions and inter- personal relationships.

Declaration of Independence by an Independent Director(s) under sub-section (6) of section 149

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the provisions of Companies Act, 2013 read with Rules and Schedules made thereunder.

(14) Extract of the Annual Return

The details forming part of the extract of the Annual Return in Form MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as “**Annexure B**” to this Report.

(15) Number of meetings of the Board of Directors

The Board met at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company.

During the financial year 2015-16, the Board of Directors met five times i.e. on April 28, 2015, July 13, 2015, August 6, 2015, November 5, 2015 and February 2, 2016. The time gap between two meetings was within the timelines prescribed under the Companies Act, 2013.

The number of Board meeting attended by each Director is as follows:-

S. No	Name	Designation	Number of Meetings attended
1	Mr. Prem Kishan Dass Gupta	Chairman and Managing Director	5/5
2	Mr. Gurdeep Singh	Director	5/5
3	Mr. Richard Blaise Saldanha	Director	2/5

4	Mr. Shabbir Hakimuddin Hassanbhai	Director	4/5
5	Mr. Gopinath Pillai [#]	Director	2/2
6	Mr. Sat Pal Khattar [!]	Director	1/2
7	Mr. Mathew Cyriac	Director	3/5
8	Mr. Ishaan Gupta	Director	5/5
9	Ms. Chitra Gouri Lal [*]	Director	2/2
10	Mrs. Mamta Gupta	Additional Director	2/2
11	Mr. Samvid Gupta	Additional Director	2/2
12	Mr. Arun Kumar Gupta	Additional Director	2/2

[#] Mr. Gopinath Pillai - Resigned w.e.f October 5, 2015

[!] Mr. Sat Pal Khattar - Resigned w.e.f October 15, 2015

^{*} Ms. Chitra Gouri Lal - Resigned w.e.f August 19, 2015.

(16) **Audit Committee**

Your Company in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, reconstituted the Audit Committee.

The Audit Committee of the Board comprises of three members and majority of them are Independent Directors. All the members of committee are well versed in finance, accounts and general business practice.

The Audit Committee comprises of the following Directors:

S. No.	Name of Member	Designation
1	Mr. Shabbir Hassanbhai	Chairman
2	Mr. Arun Gupta [*]	Member
3	Mr. Mathew Cyriac	Member

^{*} Mr. Arun Kumar Gupta - Appointed w.e.f November 5, 2015

All the recommendations made by the Audit Committee were accepted by the Board.

During the financial year 2015-16, the Audit Committee met 4 times i.e. on April 28, 2015, August 06, 2015, November 5, 2015 and February 2, 2016. The details of the meeting attended by each committee member are as follows:

S.No.	Name of the Member	Meeting attended during the financial year 2015-16
1	Mr. Shabbir Hassanbhai	4/4
2.	Mr. Mathew Cyriac	3/4
3	Mr. Arun Gupta ^{**}	2/2
4.	Ms. Chitra Gouri Lal [*]	2/2

^{**} Mr. Arun Kumar Gupta - Appointed w.e.f November 5th, 2015

^{*} Ms. Chitra Gouri Lal - Resigned w.e.f August 19th 2015.

(17) **Nomination and Remuneration Committee**

Your Company has in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, reconstituted the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of the Board comprises of three Non-Executive Directors and half of the members of the Committee are Independent Directors.

The composition of Nomination and Remuneration Committee are as follows:-

S. No.	Name of Member	Designation
1	Mr. Shabbir Hassanbhai	Chairman
2	Mr. Arun Gupta*	Member
3	Mr. Gurdeep Singh	Member
4	Mr. Prem Kishan Dass Gupta	Member

*Mr. Arun Kumar Gupta -Appointed w.e.f November 5, 2015

All the recommendation made by the Nomination and Remuneration Committee were accepted by the Board.

During the Financial year 2015-16, the Nomination and Remuneration Committee met 2 times i.e. on August 6, 2015 and November 5, 2015. The details of the meeting attended by each committee member are as follows:

S. No.	Name of the Member	Meeting attended during the financial year 2015-16
1	Mr. Shabbir Hassanbhai	2/2
2.	Ms. Chitra Gouri Lal*	1/1
3.	Mr. Arun Kumar Gupta**	N. A.
4.	Mr. Gurdeep Singh	2/2
5.	Mr. Prem Kishan Dass Gupta	2/2

* Ms. Chitra Gouri Lal -Resigned w.e.f August 19 2015.

** Mr. Arun Kumar Gupta – Appointed w.e.f. November 5, 2015.

The Board has adopted the Nomination and Remuneration policy as per the provisions under section (3) of section 178 of the Companies Act, 2013. The same has been attached herewith as “**Annexure C**”.

(18) Corporate Social Responsibility (CSR)

Pursuant to section 135 of the Companies Act, 2013 and rules made thereunder, your company had re-constituted a CSR Committee for carrying out the CSR Activities of the Company. Total expenditure incurred by the CSR Committee during the year ended March 31, 2016 was Rs. 1,41,17,379/-.

The CSR committee was re-constituted during the year in the Board Meeting held on November 5, 2015 due to resignation of Ms. Chitra Gouri Lal from the position of Director in the capacity of Independent Director. The present composition of the committee is as follows:

S. No.	Name of Member
1	Mr. Prem Kishan Dass Gupta
2	Mr. Mathew Cyriac
3	Mrs. Mamta Gupta*
4	Mr. Arun Kumar Gupta*

* Mr. Arun Kumar Gupta and Mrs. Mamta Gupta - Appointed w.e.f November 5, 2015

In the Financial year 2015-16, the CSR Committee met 1 Time on February 2, 2016. The details of the meeting attended by each committee member are as follows:

S.No.	Name of the Member	Meeting attended during the financial year 2015-2016
1	Mr. Prem Kishan Dass Gupta	1/1
2.	Mr. Mathew Cyriac	1/1
3.	Mrs. Mamta Gupta	1/1
4.	Mr. Arun Gupta	1/1
5.	Ms. Chitra Gouri Lal*	N. A.

* Ms. Chitra Gouri Lal -Resigned w.e.f August 19, 2015.

The Annual Report on CSR in terms of Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 has been enclosed as "**Annexure D**".

(19) Particular of Employees and related disclosures:

Details of the every employee of the Company as required in terms of the provision of section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "**Annexure E**".

(20) Conservation of energy, technology absorption and research & development and foreign exchange earnings and outgo

Particulars relating to energy conservation, technology absorption , foreign exchange earnings and outgo, as required to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given hereunder:

(a) Conservation of Energy:

i.) Steps taken or impact on conservation of energy: Energy conservation efforts are ongoing activities. 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 ongoing basis.

ii) Steps taken by the company for utilizing alternate sources of energy: Nil

iii) The Capital investment on energy conservation equipment: Nil

(b) Technology Absorption, Adaption & Innovation and Research & Development

The details of technology absorption as per rule 8(3) of The companies (Accounts) Rules 2014 are as follows:

i) Efforts made towards technology absorption: - Nil

ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)-

a) Details of technology imported: Nil

b) Year of Import: Nil

c) Whether the technology been fully absorbed: Nil

d) Areas where absorption has not taken place and the reasons there of: Nil

iv) Expenditure incurred on Research and Development: Nil

The Company continues to lay emphasis on innovation and the development 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 advances in technological innovations.

(c) Foreign Exchange earnings and outgo in foreign Exchange:

Foreign Exchange Earnings- Nil

Foreign Exchange Outgo:-

Particulars	2015-16 (Amount in Rs. Lakh)	2014-15 (Amount in Rs. Lakh)
Legal & Professional Charges	Nil	Nil
Membership Fees	0.40	0.41
Director Sitting Fees	7.00	3.00
Director Commission	25.00	Nil
Interest on Buyers Credit	29.66	31.83
Import of Capital Goods	Nil	845.68

(21) Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed by directors that :

- (a) In the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year i.e. 31st March, 2016 and of the profit and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care 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;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(22) Capital Expenditure & Infrastructure

The gross block of assets (Including Work-in-progress) has increased to Rs 1108 Cr. from Rs 972 Cr. in FY 2015-16. As on March 31, 2016, the Company has 960 wagons (21 Rakes), 263 trailers, 1080 Containers, 18 Reach Stackers, 34 fork lifts & Hydra cranes besides other handling equipment for handling of containers safely and efficiently at various ICDs.

(23) Human Resource:

The Company has a highly skilled and motivated team of professionally qualified and experience personnel. There has been adequate emphasis on training and development of the human resource.

Initiatives on training and development of human resources were undertaken. The Company has 176 employees (Previous Year 173 employees).

(24) Deposits

Your Company has not accepted any public deposits within the meaning of the Companies Act, 2013 during FY 2015-16.

(25) Share Capital

The Authorised Share Capital of the Company as on 31st March, 2016 is Rs. 813,50,02,500/- and Issued and Paid up Share Capital of the Company amounts to Rs. 612,30,02,500/-.

The following table shows the different class of Share Capital is as follows:

Authorized Capital		(INR)
Total Authorized Capital (in Rs)		813,50,02,500
Authorized Equity Capital (in Rs)		402,70,02,500
Authorized Preference Share Capital (in Rs)		410,80,00,000
Issued Capital		(INR)
Issued Equity shares (in Rs)		201,50,02,500
Issued Preference shares (in Rs)		410,80,00,000
Total Issued Capital		612,30,02,500
Unissued Capital		(INR)
Unissued Equity Share Capital (in Rs)		201,20,00,000

During the year there has been no change in the Share Capital of the Company.

(26) Cautionary Statement:

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

(27) Vigil Mechanism

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

(28) Policy for Prevention of Sexual Harassment

Your Company has adopted Prevention of Sexual Harassment Policy and accordingly constituted a committee for addressing of complaints of women employed by the Company. Your Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment.

During the year under review, there were no complaint received and no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(29) General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were **no transactions** on these items during the year under review:-

- a) Issue of the equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to directors or employees of the Company
- c) Issue of Employee Stock Option Scheme to employees of the company
- d) Managing Director does not receive any remuneration or commission from its Subsidiary Company
- e) No significant or material orders were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.
- f) Purchase of or subscription for shares in the company by the employees of the company.

(30) Acknowledgements

Your Directors acknowledge with gratitude the cooperation, assistance extended by the customers, vendors, bankers, financial institutions for their support for the growth of the Company.

Your Directors also wish to place on record their appreciation for the committed and efficient services rendered by the executive staff and the workers of the company for its success.

For and on behalf of the Board of Directors

Sd/-
Prem Kishan Dass Gupta
(Chairman and Managing Director)

Place: New Delhi
Date: 26/04/2016

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

Name of Subsidiary	Container Gateway Limited
Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	April 1, 2015 to March 31, 2016
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees
Share capital	10,00,000
Reserves & surplus	Nil
Total assets	12,95,114
Total Liabilities	12,95,114
Investments	Nil
Turnover	Nil
Profit before taxation	N.A. since there was no operations
Provision for taxation	N.A. since there was no operations
Profit after taxation	N.A. since there was no operations
Proposed Dividend	N.A. since there was no operations
% of Shareholding	51%

Notes:

- Names of subsidiaries which are yet to commence operations: Container Gateway Limited
- Names of subsidiaries which have been liquidated or sold during the year: NA

For and on behalf of Board of Directors

Sd/-
Nandan Chopra
Vice President (F&A)
& Company Secretary
Place:
Date:

sd/-
Braja Kishor Sahoo
Chief Financial Officer

sd/-
Arun Kumar Gupta
Director
DIN: 06571270

sd/-
Prem Kishan Dass Gupta
Chairman & MD
DIN: 00011670

A. Promoter									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp	198099998	Nil	198099998	98.31	198099998	Nil	198099998	98.31	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub – total (A)(1)	198099998	Nil	198099998	98.31	198099998	Nil	198099998	98.31	Nil
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	198099998	Nil	198099998	Nil	198099998	Nil	198099998	98.31	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	Nil	100	100	0	Nil	100	100	0	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital	32,80,000	1,20,000	34,00,000	1.69	32,80,000	1,20,000	34,00,000	1.69	Nil

in excess of Rs. 1 lakh									
e) Others (specify)									
Joint shareholding	0	2	2	0	0	2	2	0	Nil
Sub-total (B)(2):	3280000	120102	34,00,102	1.69	3280000	120102	34,00,102	1.69	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3280000	120102	34,00,102	1.69	3280000	120102	34,00,102	1.69	Nil
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	201379998	120102	201500100	100	201379998	120102	201500100	100	Nil

(b) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares company Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares company Pledged / encumbered to total shares	
1	Gateway Distriparks Limited	198099998	98.31	Nil	198099998	98.31	Nil	Nil
Total		198099998	98.31	Nil	198099998	98.31	Nil	Nil

(c) Change in Promoters' Shareholding (please specify, if there is no change)

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	198099998	98.31	198099998	98.31
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	No Change	No Change	No Change	No Change
	At the End of the year	198099998	98.31	198099998	98.31

(d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sachin Surendra Bhanushali				
	At the beginning of the year	26,00,000	1.29		
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL	NIL		
	At the End of the year (or on the date of separation, if Separated during the year)	26,00,000	1.29	26,00,000	1.29
2	Mr. V. Srinivas Reddy				
	At the beginning of the year	5,00,000	0.25		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL	NIL		
	At the End of the year (or on the date of separation, if Separated during the year)	5,00,000	0.25	5,00,000	0.25
3	Ms. Vani Bhasin				
	At the beginning of the year	1,80,000	0.89		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL	NIL		
	At the End of the year (or on the date of separation, if separated during the year)	1,80,000	0.89	1,80,000	0.89
4	Mr. Ranjiv Kumar Bhasin				
	At the beginning of the year	1,20,000	0.60		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL	NIL		
	At the End of the year (or on the date of separation, if Separated during the year)	1,20,000	0.60	1,20,000	0.60
5	Blackstone GPV Capital Partners Mauritius V-H Ltd.				
	At the beginning of the year	100	0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL	NIL		
	At the End of the year (or on the date of separation, if Separated during the year)	100	0	100	0

6	Mr. Arun Agarwal with GDL				
	At the beginning of the year	1	0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity, etc)	NIL	NIL		
	At the End of the year (or on the date of separation, if Separated during the year)	1	0	1	0

(e) *Shareholding of Directors and Key Managerial Personnel:*

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
1	Mr. Sachin Surendra Bhanushali				
	At the beginning of the year	26,00,000	1.29		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity, etc)	NIL	NIL		
	At the End of the year	26,00,000	1.29	26,00,000	1.29
2	Mr. Prem Kishan Dass Gupta with Gateway Distriparks Ltd				
	At the beginning of the year	1	0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc)	NIL	NIL		
	At the End of the year	1	0	1	0

V. ***INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment***

(Rs. In Crore)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	121.63	-	-	121.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.58	-	-	0.58
Total (i+ii+iii)	122.21	-	-	122.21
Change in Indebtedness during the financial year				
• Addition	134.5	-	-	134.5
• Reduction	79.0	-	-	79.0
Net Change Indebtedness at the end of the financial year		-	-	
i) Principal Amount	178.83	-	-	178.83
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	1.32	-	-	1.32
Total (i+ii+iii)	180.15	-	-	180.15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (In Rs.)
		Mr. Prem Kishan Dass Gupta – Chairman and Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify	2,25,00,000 (2.34%)	2,25,00,000
5	Others, please specify (Sitting Fees)	5,00,000	5,00,000
	Total (A)	2,30,00,000	2,30,00,000
	Ceiling as per the Act (5% of the net profits of the company, if there is any one MD, or WTD or manager in the company)	3,72,02,491(5 % of Net Profit as calculated under Section 198 of the Act).	

B. Remuneration to other directors

S. No	Particulars of Remuneration	Name of Directors								Total Amount
1	Independent Directors	Mr. Shabbir Hassanbhai	Ms. Chitra Gouri Lal*	Mr. Arun Kumar Gupta	-	-	-			
	Fee for attending board committee meetings	4,00,000	2,00,000	2,00,000	-	-	-			8,00,000
	Commission	25,00,000	-	10,00,000	-	-	-			35,00,000
	Others, please specify	-	-	-	-	-	-			-
	Total (1)	29,00,000	2,00,000	12,00,000	-	-	-			43,00,000
	Other Non-Executive Directors	Mr. Gopinath Pillai ¹	Mr. Satpal Khattar [#]	Mr. Gurdeep Singh	Mr. Richard Saldanha	Mr. Mathew Cyriac	Mr. Ishaan Gupta	Mrs. Mamta Gupta	Mr. Samvid Gupta	
	Fee for attending board committee meetings	2,00,000	1,00,000	5,00,000	2,00,000	3,00,000	5,00,000	2,00,000	2,00,000	22,00,000
	Commission	-	-	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	60,00,000
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	2,00,000	1,00,000	15,00,000	12,00,000	13,00,000	15,00,000	12,00,000	12,00,000	82,00,000
	Total (B)=(1+2)									1,25,00,000
	Total Director's Remuneration									3,55,00,000
	Overall Ceiling as per the Act	5,76,74,856 (6% of Net Profit as calculated under Section 198 of the Act)								

* Ms. Chitra Gouri Lal – Resigned w.e.f 19.08.2015

¹ Mr. Gopinath Pillai – Resigned w.e.f 5.10.2015

[#] Mr. Sat Pal Khattar – Resigned w.e.f. 15.10.2015

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Sachin Bhanushali, CEO	Mr. Nandan Chopra, VP (F&A) and CS	Mr. B.K. Sahoo, CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,92,48,240	67,23,627	79,70,983	3,39,42,850
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	-	-	39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as % of profit	-	-	-	
	others, specify...	-	-	-	
5	Others, please specify	-	-	-	
	Total	1,92,87,840	67,23,627	79,70,983	3,39,82,450

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No
Penalties/Punishment/Compounding of offences made during the year

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Gateway Rail Freight Limited
Nomination & Remuneration Policy

Objective & Scope of the Policy

The Board of Directors of Gateway Rail Freight Limited (GRFL) has adopted this Nomination & Remuneration Policy, made in accordance with Section 178 of the Companies Act, 2013 and rule 6 of Companies (Meetings and Powers of Board) Rules, 2014 and any other applicable provision of the Companies Act, 2013, if any (the Policy) for its Directors, Key Managerial Personnel (KMP) and Senior Management on the recommendation of Nomination and Remuneration Committee of the Company. It follows the principles of maximum transparency and disclosure regarding remuneration, which the company has been applying to its public reporting documents.

Applicability of the Policy

This Nomination and Remuneration Policy applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Gateway Rail Freight Limited (the “Company”).

Definition(s):

- (i) “Board of Director” or “Board” means the Board of Directors of Gateway Rail Freight Limited, as constituted from time to time.
- (ii) “Chief Executive Officer” or “CEO” means an officer of company who has been designated as such by it.
- (iii) “Company” means the Gateway Rail Freight Limited incorporated under the provisions of Company Act 1956.
- (iv) “Committee” means “Nomination and Remuneration Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of The Companies Act, 2013.
- (v) “Executive” includes Executive Director, Key Managerial personals and senior management.
- (vi) “Executive Director” means as defined in Companies Act 2013 read with rules made thereunder.
- (vii) “Key Managerial Personnel (KMP) means—
 - a. Managing Director;
 - b. Chief Executive Officer ;
 - c. Chief Financial Officer;
 - d. Company Secretary;
 - e. Whole-Time Director, if any; and
 - f. such other officer as may be prescribed by Central government;
- (viii) “Policy” means Nomination and Remuneration Policy for Directors, Key Managerial Personals and Senior Management.
- (ix) The term Senior Management or senior officials means all personnel of the Company who are members of its core management team excluding members of the Board of Directors, comprising all members of management one level below the Managing/Whole-Time Directors, including the functional heads.

(1) Purpose

The primary objective of the Policy is to provide a framework and set standards for the appointment and remuneration of Directors, Key Managerial Personnel and other employee comprising the senior management and to carry out evaluation of every director's performance. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

(2) Accountabilities

- The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- The Board had delegated responsibility for assessing and selecting the candidates for the enrolment of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

(3) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the following:

- (a) The Committee shall consist of a minimum 3 or more non-executive directors, not less than half of them being independent.
- (b) The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- (d) Membership of the Committee and Nomination and Remuneration policy shall be disclosed in the Annual Report.
- (e) Term of the Committee shall be continued unless terminated by the Board of Directors.
- (f) Company Secretary shall act as the Secretary of the Committee

(4) Chairman

- a) Chairman of the Committee can be any member other than Chairperson of the Company.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

(5) Terms of Reference of the Nomination and Remuneration Committee

- (a) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed as a KMP and in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees comprising of senior management.
- (c) The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—
 - (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (d) The Nomination & Remuneration Committee shall administer and Implement ESOP scheme and shall formulate the detailed terms and conditions of the ESOP Scheme.

(6) Committee Members' Interests

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

(7) Voting

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

(8) Appointment of Directors, KMP and Senior Management

- The Committee shall identify persons who are qualified to become directors, KMP and who may be appointed in senior management in accordance with the criteria, recommend to the Board their appointment and removal.
- When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:
 - (i) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
 - (ii) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
 - (iii) The skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
 - (iv) The nature of existing positions held by the appointee including directorships or other relationships and
 - (v) The impact they may have on the appointee's ability to exercise independent judgment;
- Personal specifications
 - (i) Degree holder in relevant disciplines;
 - (ii) Experience of management in a diverse organization;
 - (iii) Excellent interpersonal, communication and representational skills;
 - (iv) Demonstrable leadership skills;
 - (v) Commitment to high standards of ethics, personal integrity and probity;
 - (vi) Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
 - (vii) Having continuous professional development to refresh knowledge and skills.

- (viii) Such other conditions as may be decided by the Committee from time to time including but not limiting to qualifications mentioned in Annexure A

(9) Letters of Appointment

Each Director/KMP/Senior management Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

(10) Remuneration of Directors, Key Managerial Personnel and Senior Management

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior management officials. The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

(a) Remuneration:

(i) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

(ii) Variable salary:

For employees appointed as General manager and above, part of the total salary shall be paid as variable salary based on performance against pre-determined financial metrics as approved by the Board while approving annual budget. The Variable salary will not exceed 25% of the total salary

(iii) Retirement Benefits:

(b) Contribution to Provident fund, Gratuity etc as per Company rules.

(c) Statutory Requirements:

- (i) Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- (ii) Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- (iii) The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

- (iv) The Company may with the approval of the shareholders authorise the payment of remuneration up to five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- (v) The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- (vi) The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
- The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors subject to provisions of section 197 and the rules made thereunder.
 - The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
 - The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base and determined keeping in view the industry benchmark, the relative performance of the company to the industry performance and macro -economic review on remuneration packages of CEO's and senior management of other organizations and other specifications as specified in clause 4.2 and 4.3 above .

(11) Policy For Remuneration To Directors

(a) Remuneration to Managing Director / Whole-time Directors:

- (i) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- (ii) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

(b) Remuneration to Non- Executive / Independent Directors:

- (i) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- (ii) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be

recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- (iii) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- (iv) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (ii) above if the following conditions are satisfied:
 - The Services are rendered by such Director in his capacity as the professional; and
 - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- (v) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

(12) Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

(13) Evaluation/ Assessment of Directors of the Company –

- Under Section 178(2) of the Companies Act 2013, the Nomination and remuneration committee shall require to carry out evaluation of Director's performance of every Director of the Company on an annual basis.
- Under Schedule IV section II (2), an Independent Director shall bring an objective view in the evaluation of performance of Board and management.

Personal Specification for Directors

1. Qualification:

- (i) Degree holder in relevant disciplines (e.g. management, accountancy, legal);
- (ii) Recognised specialist

2. Experience:

- (i) Experience of management in a diverse organisation
- (ii) Experience in accounting and finance, administration, corporate and strategic planning or fund management
- (iii) Demonstrable ability to work effectively with a Board of Directors

3. Skills:

- (i) Excellent interpersonal, communication and representational skills
- (ii) Demonstrable leadership skills
- (iii) Extensive team building and management skills
- (iv) Strong influencing and negotiating skills
- (v) Having continuous professional development to refresh knowledge and skills

4. Abilities and Attributes:

- (i) Commitment to high standards of ethics, personal integrity and probity
- (ii) Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.

CORPORATE SOCIAL RESPONSIBILITY

(1) Brief Outline of the Company's CSR Policy

Corporate Social Responsibility (CSR) encompasses the entire process by which a Company defines, develop and demonstrate its commitment towards its stakeholders. CSR policy lays down guidelines and mechanism for undertaking social welfare programs & sustainable development for the benefit of different segments of the society and in particular for those who are downtrodden and are at the bottom of the pyramid.

In line with the requirements of the Companies Act, 2013, the Board of Directors has approved the CSR Policy of the Company. Detailed CSR Policy has been uploaded on the website of the Company and can be viewed at below mentioned link:

<http://gatewayrail.in/Ethics.asp>

(2) The Composition of the CSR Committee is as follows:

S.No	Name of Member	Designation
1	Mr. Prem Kishan Dass Gupta	Chairman
2	Mr. Mathew Cyriac	Member
3	Ms. Mamta Gupta*	Member
4	Mr. Arun Gupta	Member

*Ms. Mamta Gupta has been appointed as Member of the Committee w.e.f. November 5, 2015 due to resignation of Ms. Chitra Gouri Lal.

(3) Average net profit of the company for last three financial years calculated as per Section 198 of the Companies Act, 2013 was Rs. 68,71,71,400/-.

(4) Prescribed CSR Expenditure to be spent during the year under review was Rs. 1,37,43,428 (2% of Average net profit of the company for last three financial years)

(5) Details of CSR spent during the financial year.

(a) Total amount spent for the financial year; Rs. 1,42,90,210 /-

(b) Amount unspent, if any; N.A.

(c) Manner in which the amount spent during the financial year is detailed below:

S. No	CSR Project or Activity identified	Sector in which Project covered	Projects or Programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency
1	Construction of Footpath along the PWD road of 1300 mtr from Wazirpur Village to/from Railway Station near Garhi Harsru Railway Station.	Rural Development Projects	Project under taken in Local Area at Village Wazirpur near Garhi Village, Gurgaon, Haryana	27,45,240	Direct Expenditure	29,94,057	Directly
2	Widening of Cement Concrete PWD road of 1100 mtr from Garhi Harsru Village till Wazirpur Village. The Company has chosen this project to facilitate rural connectivity.	Rural Development Projects	Project under taken in Local Area at Village Wazirpur near Garhi Village, Gurgaon, Haryana	98,24,782	Direct Expenditure	84,79,852	Directly
3	Road repair works at Piyala Village between piyala Village & Sikri village	Rural Development Projects	Project under taken in Local Area at Village Wazirpur near Garhi Village, Gurgaon, Haryana	4,50,000	Direct Expenditure	4,71,371	Directly

4	Providing financial support to Bharat Lok Shiksha Parishad for implementing the Ekal Abhiyan Yagna for annual funding of 50 vidyalayas for one year in rural and tribal areas to promote functional education, medical and hygienic awareness, planned farming etc.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Project under taken in Local Area at Village Wazirpur near Garhi Village, Gurgaon, Haryana	10,00,000	Direct Expenditure	10,00,000	Directly
5	Providing of solar Lights in Sanehwal Village	Rural Development Projects	Project under taken in Local area at Sahnewal, Punjab	-	Direct Expenditure	7,60,530	Directly
6	Sanehwal Village Gate Repair Work	Rural Development Projects	Project under taken in Local area at Sahnewal, Punjab	-	Direct Expenditure	84,400	Directly
7	Pond Development work at Sanehwal	Rural Development Projects	Project under taken in Local area at Sahnewal, Punjab	-	Direct Expenditure	5,00,000	Directly
Total				1,40,20,022		1,42,90,210	

(6) In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - N.A.

(7) The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sachin Surendra Bhanushali (Chief Executive Officer)	Prem Kishan Dass Gupta (Chairman CSR Committee)
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Annexure -E

Statement containing the particulars of employees in accordance with Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Directors' Report for the Financial Year ended March 31, 2016

S No	Name of the Employee	Designation of the Employee	Remuneration Received (Amount in Rs.)	Nature of employment whether contractual or otherwise	Other terms & conditions	Nature of duties of the employee	Qualifications and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the company	The percentage of equity shares held in the employee within the meaning of clause (iii) of sub-rule (2) of rule 2 of Companies (Appointment and Remuneration) Rules, 2014	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Sachin Bhanushali	CEO	1,92,87,840	Regular	Employment	Management	Masters in Commerce & Business Economics	31-Jan-07	51	Indian Railways (Govt. of India) and CONCOR	1.29%	No

Form No. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

TO
THE MEMBERS
GATEWAY RAIL FREIGHT LIMITED
SF-7, SECOND FLOOR, D-2 'SOUTHERN PARK'
SAKET DISTRICT CENTRE, SAKET
NEW DELHI,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S GATEWAY RAIL FREIGHT LIMITED** (hereinafter called the **company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- (v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 **(Not applicable to the Company during the Audit Period)**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009 **(Not applicable to the Company during the Audit Period);and**
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.
(Not applicable to the Company during the Audit Period)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, Contest-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Customs Act, 1962 and the Rules thereto as amended from time to time and all the relevant circulars, Notifications and Regulations issued by Customs Authorities of India, from time to time
- (b) Indian Railways Act
- (c) Motor Vehicle Act

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on review of compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: 20th April, 2016

Place: New Delhi

D.P. Gupta

Sd/-

For SGS ASSOCIATES

Company Secretaries

M. No. FCS2411

COP No. 1509

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GATEWAY RAIL FREIGHT LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Gateway Rail Freight Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information

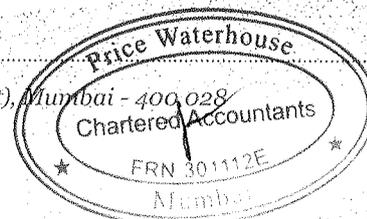
Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

Price Waterhouse, 252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028
T: +91 (22) 6669 1000, F: +91 (22) 6654 7800, +91 (22) 6654 7801



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT
To the Members of Gateway Rail Freight Limited
Report on the Financial Statements
Page 2 of 3

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Gateway Rail Freight Limited

Report on the Financial Statements

Page 3 of 3

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016, on its financial position in its standalone financial statements –Refer Note of 30 and 31 of the Financial Statement ;
 - ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2016.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Partha Ghosh
Partner
Membership Number 55913

New Delhi
April 26, 2016

Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the standalone financial statements for the year ended March 31, 2016

Page 1 of 2

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Gateway Rail Freight Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the standalone financial statements for the year ended March 31, 2016

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

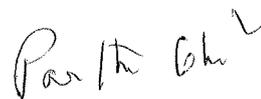
Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Partha Ghosh
Partner
Membership Number 55913

New Delhi
April 26, 2016

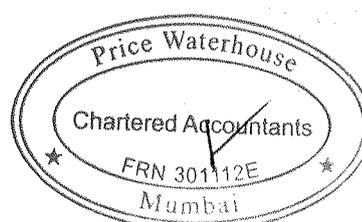
Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (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 have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company, except for Land situated at Asaoti having gross and net block value of Rs. 2,033,943 as at year end, the title deeds are not in the name of the company in view of the agreement entered into by the Guardians' (Sellers) on behalf of the minor (Original owner)
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and value added tax which have not been deposited on account of any dispute.



Price Waterhouse

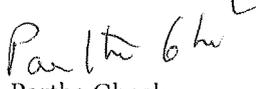
Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the standalone financial statements for the year ended March 31, 2016
Page 2 of 2

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date. The Company does not have any loans or borrowings from Government, nor has it issued any debentures as at the balance sheet date
- ix. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


Partha Ghosh
Partner
Membership Number 55913

New Delhi
April 26, 2016

GATEWAY RAIL FREIGHT LIMITED
Balance Sheet as at March 31, 2016

	Note No.	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	6,123,002,500	6,123,002,500
Reserves and Surplus	4	2,168,368,339	1,561,528,720
		<u>8,291,370,839</u>	<u>7,684,531,220</u>
Non-Current Liabilities			
Long-Term Borrowings	5	1,613,043,999	951,682,000
Deferred Tax Liabilities (Net)	6	68,677,169	63,256,793
Long-Term Provisions	7	32,482,444	40,512,274
		<u>1,714,203,612</u>	<u>1,055,451,067</u>
Current Liabilities			
Short-Term Borrowings	8	-	64,448,998
Trade Payables	9	-	-
- Total Outstanding dues of Micro Enterprises and Small Enterprises		5,504,838	2,777,198
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		257,334,123	248,791,628
Other Current Liabilities	10	418,554,873	410,510,611
Short-Term Provisions	11	9,512,460	3,960,228
		<u>690,906,294</u>	<u>730,488,663</u>
Total		<u>10,696,480,745</u>	<u>9,470,470,950</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	7,293,544,004	6,680,774,695
Intangible Assets	13	299,173,027	305,512,719
Capital Work-in-Progress		564,771,348	296,348,022
Non-Current Investments	14	-	-
Long-Term Loans and Advances	15	148,749,732	427,746,623
Other Non-Current Assets	16	33,111,362	2,951,249
		<u>8,339,349,473</u>	<u>7,713,333,308</u>
Current Assets			
Current Investments	17	1,380,920,611	810,000,000
Trade Receivables	18	602,062,914	713,743,692
Cash and Bank Balances	19	107,948,961	134,674,888
Short-Term Loans and Advances	20	244,692,910	83,628,554
Other Current Assets	21	21,505,876	15,090,508
		<u>2,357,131,272</u>	<u>1,757,137,642</u>
Total		<u>10,696,480,745</u>	<u>9,470,470,950</u>

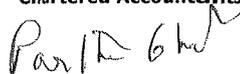
Significant Accounting Policies

2

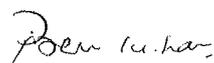
The accompanying notes are an integral part of these financial statements.

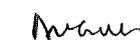
In terms of our report of even date.

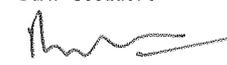
For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

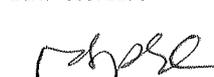

Partha Ghosh
Partner
Membership No.: 055913

For and on behalf of the Board of Directors


Prem Kishan Dass Gupta
Chairman and
Managing Director
DIN:- 00011670


Arun Kumar Gupta
Director
DIN:- 06571270


B. K. Sahoo
Chief Finance Officer


Nandan Chopra
Vice President
(Finance and Accounts) and
Company Secretary

Place: New Delhi

Date: April 26, 2016

Place: New Delhi

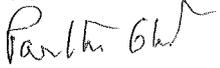
Date: April 26, 2016

GATEWAY RAIL FREIGHT LIMITED
Statement of Profit and Loss for the year ended March 31, 2016

	Note No.	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
REVENUES			
Revenue From Operations	22	7,304,115,998	6,913,199,597
Other Income	23	119,191,266	78,134,818
Total Revenue		7,423,307,264	6,991,334,415
EXPENSES			
Operating Expenses	24	5,217,969,346	4,659,376,823
Employee Benefits Expenses	25	217,799,439	182,805,993
Finance Costs	26	131,902,801	110,477,520
Depreciation and Amortisation Expenses	27	498,436,446	474,712,488
Other Expenses	28	433,331,162	372,289,666
Total Expenses		6,499,439,194	5,799,662,490
Profit Before Tax		923,868,070	1,191,671,925
Tax Expense			
-- Current Year [Refer Notes 2(viii)(a) and 15(a)]		184,954,169	241,937,902
-- Minimum Alternate Tax Utilised / (Credit Entitlement) [Refer Notes 2(viii)(c) and 15(a)]		126,653,906	(62,276,644)
-- Earlier Years		-	-
-- Deferred Tax [Refer Notes 2(viii)(b) and 6]		5,420,376	(36,881,341)
Profit for the Year		606,839,619	1,048,892,008
Earnings Per Equity Share [Face Value of Rs. 10 per Equity Share (Previous Year: Rs. 10)] [Refer Notes 2(xiii) and 34]			
-- Basic		3.01	5.21
-- Diluted		1.51	2.61
Significant Accounting Policies	2		
The accompanying Notes are an integral part of these financial statements.			

In terms of our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

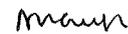


Partha Ghosh
Partner
Membership No.: 055913

For and on behalf of the Board of Directors



Prem Kishan Dass Gupta
Chairman and
Managing Director
DIN:- 00011670



Arun Kumar Gupta
Director
DIN:- 06571270


B. K. Sahoo
Chief Finance Officer

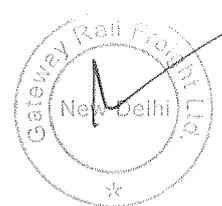

Nandan Chopra
Vice President
(Finance and Accounts) and
Company Secretary

Place: New Delhi
Date: April 26, 2016

Place: New Delhi
Date: April 26, 2016

GATEWAY RAIL FREIGHT LIMITED
Cash Flow Statement for the year ended March 31, 2016

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
A. Cash flow from operating activities:		
Profit Before taxation	923,868,070	1,191,671,925
Adjustments for:		
Depreciation	472,096,754	449,039,463
Amortisation	26,339,692	25,673,025
Provision for Doubtful Debts (Net)	1,104,741	168,420
Provision for Doubtful Ground Rent (Net)	2,226,350	3,241,750
Finance Costs	131,902,801	110,477,520
Interest Income	(5,573,549)	(6,610,666)
Dividend Income	(53,398,630)	(17,956,809)
Profit on Sale of Short Term Investments (Net)	(1,451,556)	(32,486,430)
Profit on Sale/ Write-off of Tangible Assets (Net)	(3,876,342)	(1,351,859)
Provision for Diminution in value of Investment	125,487	-
Liabilities/ Provisions no Longer Required Written Back	(47,569,627)	(10,946,544)
Operating Profit before working capital changes	1,445,794,191	1,710,919,795
Change in working capital:		
- (Increase)/ Decrease in Trade Receivables	110,576,037	(248,404,268)
- (Increase)/ Decrease in Non-current Loans and Advances	682,025	(7,191,773)
- Increase in Current Loans and Advances	(9,855,023)	(6,784,529)
- Increase in Other Non-Current Assets	(2,226,350)	(3,241,750)
- (Increase)/ Decrease in Other Current Assets	(10,345,602)	6,127,214
- Increase in Provision	(2,477,598)	12,878,674
- Increase in Trade Payables	58,839,761	25,241,693
- Increase in Other Current Liabilities	7,207,374	58,167,768
Cash generated from operations	1,598,194,815	1,547,712,824
- Taxes Paid	201,787,128	227,683,609
Net cash generated from operating activities	(A) 1,396,407,687	1,320,029,215
B. Cash flow from investing activities :		
Purchase of Tangible/ Intangible Assets	(1,320,468,511)	(896,432,504)
Proceeds from sale of Tangible Assets	3,876,342	1,354,873
Increase in Fixed Deposits with Banks (Refer Notes 16 and 19)	(4,646,156)	(23,540,832)
Purchase of Current Investments	(1,833,000,000)	(2,207,000,000)
Proceeds from sale of Current Investments	1,316,804,089	1,787,782,574
Interest Received	9,503,780	5,918,500
Net cash flow from investing activities	(B) (1,827,930,456)	(1,331,917,389)
C. Cash flow from financing activities :		
Proceeds of Long-Term Borrowings	1,345,000,000	285,932,000
Repayment of Long-Term Borrowings	(668,000,000)	(123,166,667)
Repayment of Short-Term Borrowings	(122,237,880)	(43,939,400)
Interest Paid	(124,451,321)	(108,587,834)
Net cash from financing activities	(C) 430,310,799	10,238,099
Net Decrease in Cash and Cash Equivalents	(A+B+C) (1,211,970)	(1,650,075)
Cash and Cash Equivalents at the beginning of the year	78,543,129	80,193,204
Cash and Cash Equivalents at the end of the year	77,331,159	78,543,129
Net Decrease in Cash and Cash Equivalents	(1,211,970)	(1,650,075)



GATEWAY RAIL FREIGHT LIMITED
Cash Flow Statement for the year ended March 31, 2016

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
Cash and Cash Equivalents comprise of:		
Cash on Hand	461,956	1,275,014
Balances with Scheduled Banks:		
- in Current Accounts	76,869,203	77,268,115
Cash and Cash equivalents at end of the year	<u>77,331,159</u>	<u>78,543,129</u>

Notes:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on "Cash Flow Statement".
- 2 Previous year's figures have been regrouped/ rearranged wherever necessary.

In terms of our report of even date.

For Price Waterhouse
 Firm Registration Number: 301112E
Chartered Accountants

Partha Ghosh

Partha Ghosh
 Partner
 Membership No.: 055913

For and on behalf of the Board of Directors

Prem Kishan Dass Gupta

Prem Kishan Dass Gupta
 Chairman and
 Managing Director
 DIN:- 00011670

Arun Kumar Gupta

Arun Kumar Gupta
 Director
 DIN:- 06571270

B. K. Sahoo

B. K. Sahoo
 Chief Finance Officer

Nandan Chopra

Nandan Chopra
 Vice President
 (Finance and Accounts) and
 Company Secretary

Place: New Delhi
 Date: **April 26, 2016**

Place: New Delhi
 Date:

GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2016

1. General Information

Gateway Rail Freight Limited (the 'Company') is engaged in business of Container Train logistics. It provides container logistics solution between major Indian ports and Inland Container Depots (ICD) by providing rail services for Export, Import and Domestic containerised cargo, integrated with road transportation, transit and bonded warehousing, refrigerated container facilities and other value added services. The Company operates from its three owned terminals at Garhi Harsaru (Gurgaon), Sanehwal (Ludhiana) and Asauti (Faridabad) and a private freight terminal at Navi Mumbai under agreement. The Company owns and operates through its rakes and a fleet of trailers.

2. Significant Accounting Policies:

(i) Basis of Preparation:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the companies act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956, shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act 2013. Based on the nature of service and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

The Ministry of Corporate Affairs(MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

(ii) Tangible and Intangible Assets and Depreciation/Amortisation:

(a) Tangible and Intangible Assets are stated at cost of acquisition or construction less accumulated depreciation/ amortisation and accumulated impairment losses, if any. The Company capitalises all costs relating to the acquisition, installation and construction of tangible and intangible assets up to the date when the assets are ready for commercial use. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

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

- Technical Know-How, is 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, is being amortised over a period of agreement (i.e. twenty years) from the date of commercial operations;
- Private Freight Terminal (PFT) Licence fees paid to Railway Administration is amortised over the period of contract (i.e. 30years).
- Reach Stackers and forklifts (included in Other Equipments) are depreciated over a period of ten years, based on the technical evaluation;
- Containers and Reefer Power Packs (included in Rolling Stocks- Containers and Reefer Power Packs) are depreciated over a period of ten years, based on the technical evaluation;
- Leasehold Improvements are amortised over a period of lease; and
- ERP Software is amortised under straight line method over a period of five years.

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

(d) Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

(iii) Borrowing Cost:

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. Specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2016

(iv) Foreign Currency Transactions:

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

(v) Investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the Long term investments, such reduction being determined and made for each investment individually.

(vi) Employee Benefits:

(a) Defined Contribution Plans

Contribution towards Provident Fund, Pension Scheme and Employee's State Insurance for employees is made to the Regulatory Authorities which are recognised by the Income Tax Authorities and administered through appropriate Authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(b) Defined Benefit Plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liability for 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 an independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss in the year in which they arise.

(c) Other Employee Benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

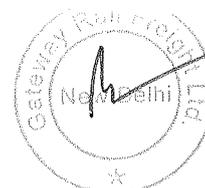
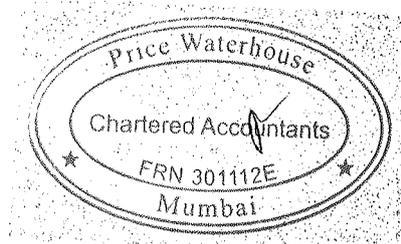
Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(d) Termination Benefits

Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

(vii) Revenue Recognition:

- (a)** Income from Rail and Road transportation are recognised on completion of the movement and delivery of goods to the party/ designated place.
- (b)** Income from Container Handling and Storage are 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, Income from Ground Rent is not accrued for a period beyond 60 days on a consistent basis as per the prevailing business practice.
- (c)** Income from Operations are recognised net of trade discount, rebates and service tax.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2016

(d) Income from auction is recognised when the company auctions long-standing cargo that has not been cleared by customs. Revenue and expenses for Auction are recognised when auction is completed after obtaining necessary approvals from appropriate authorities. Auction 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 'Other Current Liabilities'. Unclaimed Auction Surplus, if any, in excess of one year is written back as 'Income' in the following financial year.

(e) Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) Dividend: Dividend income is recognised when the right to receive dividend is established.

(viii) Taxes on Income:

(a) Current Taxation

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred Taxation

(b) Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Minimum Alternate Tax Credit

(c) Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax, during the specified year. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified year.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against

(d) liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(ix) Provisions and Contingent Liabilities:

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(x) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

(xi) Leases:

Leases in which a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

(xii) Cash and Cash Equivalents:

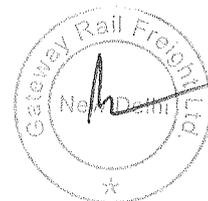
In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(xiii) Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(xiv) Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires the Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to such accounting estimates is recognised prospectively in the accounting period in which such revision takes place.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

3. SHARE CAPITAL

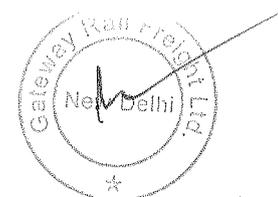
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Authorised:		
402,700,000 (Previous Year: 402,700,000) Equity Shares of Rs. 10 each	4,027,000,000	4,027,000,000
100 (Previous Year: 100) Equity Shares of Rs. 25 each	2,500	2,500
120,000,000 (Previous Year: 120,000,000) Compulsory Convertible Preference Shares of Rs. 24.65 each	2,958,000,000	2,958,000,000
115,000,000 (Previous Year: 115,000,000) Zero Coupon Redeemable Preference Shares of Rs. 10 each	1,150,000,000	1,150,000,000
	8,135,002,500	8,135,002,500
Issued, Subscribed and Paid-up:		
201,500,000 (Previous Year: 201,500,000) Equity Shares of Rs. 10 each, fully paid-up [Refer Notes 3(A) and 3(E)]	2,015,000,000	2,015,000,000
100 (Previous Year: 100) Equity shares of Rs. 25 each, fully paid-up [Refer Note 3(A)]	2,500	2,500
120,000,000 (Previous Year: 120,000,000) Compulsory Convertible Preference Shares of Rs. 24.65 each, fully paid-up [Refer Note 3(A)]	2,958,000,000	2,958,000,000
115,000,000 (Previous Year: 115,000,000) Zero Coupon Redeemable Preference Shares of Rs. 10 each, fully paid-up [Refer Notes 3(A)]	1,150,000,000	1,150,000,000
	6,123,002,500	6,123,002,500

(A) Reconciliation of the Number of Shares

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of Rs. 10 each				
Balance as at the beginning of the year	201,500,000	2,015,000,000	201,500,000	2,015,000,000
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	201,500,000	2,015,000,000	201,500,000	2,015,000,000
Equity Shares of Rs. 25 each				
Balance as at the beginning of the year	100	2,500	100	2,500
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	100	2,500	100	2,500
Compulsory Convertible Preference Share				
Balance as at the beginning of the year	120,000,000	2,958,000,000	120,000,000	2,958,000,000
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	120,000,000	2,958,000,000	120,000,000	2,958,000,000
Zero Coupon Redeemable Preference Share				
Balance as at the beginning of the year	115,000,000	1,150,000,000	115,000,000	1,150,000,000
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	115,000,000	1,150,000,000	115,000,000	1,150,000,000

(B) Rights, Preferences and restrictions attached to shares:

- (i) Compulsorily Convertible Preference Shares (CCPS): 120,000,000 Compulsory Convertible Preference Shares of Rs. 24.65 each were Issued in August 2010 to Blackstone GPV Capital Partners (Mauritius) V-H Limited (Blackstone) against cash. These CCPS holders shall be entitled to non-cumulative dividend of 0.0001% of the face value of CCPS, as and when declared by the Company's Board prior to and in preference to the payment of any dividend on the Equity Shares. The Holders of CCPS shall also be entitled to participate in dividends issued by the Company over and above the Preferred Dividend on an 'as-if converted' basis. Subject to applicable laws, Blackstone holding the CCPS shall have the voting rights to vote on all matters to be decided by the Company as if the Blackstone CCPS had been converted into Equity Shares at the Conversion ratio. The Conversion ratio is 167 Equity Shares for every 100 CCPS. These CCPS shall be converted by the expiry of 19 (Nineteen) years from the Completion date. In the event of liquidation, the Compulsory Convertible Preference Shareholders are eligible to receive the money before the distribution being made to Zero Coupon Redeemable Preference Shareholders and Equity Shareholders after distributing all preferential amount in proportion to their share holding.
- (ii) Zero Coupon Redeemable Preference Shares (RPS): 115,000,000 Zero Coupon Redeemable Preference Shares of Rs. 10 each were issued on July 21, 2011 to Gateway Distriparks Limited, the Holding Company, against cash. The preference shares shall have liquidation preference rights which are inferior to those of Compulsory Convertible Preference Shares. These Redeemable Preference Shares are redeemable in one or more tranches provided that not less than 15,000,000 RPS shall be redeemed in any single tranche. These Redeemable Preference Shares shall be redeemed latest by October 1, 2030. RPS would be entitled to redemption premium in the first day in a given financial year in which RPS redemption premium to be paid to promoters ranging from Rs. 3.38 per RPS redeemed in October 1, 2015 to Rs. 22.07 per RPS (if redeemed on October 1, 2030). At the time of liquidation, RPS holders would be entitled to their remaining assets (after paying off to Compulsory Convertible Preference shareholders and other preferential amount but before making payment to equity shareholders) in the proportion to their holding.
- (iii) The Company has two class of Equity Shares having par value of Rs. 10 per share and Rs. 25 per share. Each shareholder is eligible for one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in the proportion to their shareholding.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

(C) Shares held by Holding Company and its nominees (More than 5% as on March, 31 2016):

		As at March 31, 2016	As at March 31, 2015
Equity Shares of Rs.10 each 198,100,000 Shares (Previous year 198,100,000) of Rs. 10 each fully paid-up are held by Gateway Distriparks Limited, the Holding Company	Number of Shares held % of Shares held	198,100,000 98.31	198,100,000 98.31
Equity Shares of Rs. 25 each 100 Shares (Previous year 100) of Rs. 25 each fully paid-up are held by Blackstone GPV Capital Partners (Mauritius) V-H Limited	Number of Shares held % of Shares held	100 100	100 100
Compulsorily Convertible Preference Shares of Rs. 24.65 each are held by Blackstone GPV Capital Partners (Mauritius) V-H Limited	Number of Shares held % of Shares held	120,000,000 100	120,000,000 100
Zero Coupon Redeemable Preference Shares of Rs.10 each are held by Gateway Distriparks Limited, the Holding company	Number of Shares held % of Shares held	115,000,000 100	115,000,000 100

(D) Shares allotted as fully paid-up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2016):

Nil Equity Shares were issued in the last 5 years pursuant to contract without payment being received in cash [Refer Note 3E].

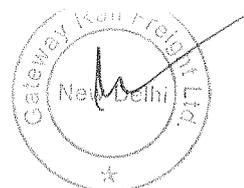
(E) Sweat Equity Shares:

Details of Sweat Equity Shares issued by the Company are as follows:

- (i) During 2006- 2007 and 2007-2008, pursuant to the special resolution passed by the shareholders in the Extraordinary General Meeting held on July 21, 2006, September 21, 2007 and March 7, 2008, the Board of Directors' in their meetings held on November 21, 2006, January 31, 2007, November 19, 2007 and March 18, 2008, the Company had allotted 9,700,000 sweat equity shares to its employees.
- (ii) During 2008-2009, pursuant to the special resolution passed by the Shareholders in the Extraordinary General meeting held on March 17, 2008, the Board of Directors' in their meetings held on May 26, 2008, the Company had allotted 300,000 Sweat Equity shares to its employees.
- (iii) During 2009-2010, pursuant to the special resolution passed by the Shareholders in the Extraordinary General meeting held on December 9, 2009, the Board of Directors' in their meetings held on December 15, 2009, the Company had allotted 1,500,000 Sweat Equity shares to its employees.
- (iv) During 2010-2011, Gateway Distriparks Limited, the Holding Company, had acquired 6,000,000 Equity Shares from Sweat Equity Shareholders pursuant to their resignation as employees.
- (v) During 2011-2012, Gateway Distriparks Limited, the Holding Company, has acquired 600,000 Equity Shares from Sweat Equity Shareholders pursuant to their resignation as employees.
- (vi) During 2012-2013, Gateway Distriparks Limited, the Holding Company, has acquired 1,500,000 Equity Shares from Sweat Equity Shareholder pursuant to their resignation as employees.

4. RESERVES AND SURPLUS

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Securities Premium Account		
Opening Balance	13,205,109	13,205,109
Add: Received during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	<u>13,205,109</u>	<u>13,205,109</u>
Surplus/ (Deficit) In Statement of Profit and Loss		
Opening Balance	1,548,323,611	508,903,281
Add: Net Profit after tax transferred from Statement of Profit and Loss	606,839,619	1,048,892,008
Balance at the end of the year	<u>2,155,163,230</u>	<u>1,557,795,289</u>
Less: Depreciation of earlier years charged to Reserves	-	9,471,678
	<u>2,168,368,339</u>	<u>1,561,528,720</u>



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

5. LONG TERM BORROWINGS

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Secured:		
Term Loans:		
From Banks:		
HDFC Bank (Rupee Loan) [Refer Note 5(a)(ii)]	1,517,749,999	402,500,000
From Financial Institutions:		
GE Money Financial Services Private Limited [Refer Note 5(a)(i)]	-	463,250,000
Buyers' Credit		
From Banks:		
HDFC Bank (Foreign Currency Loan) [Refer Note 5(a)(iii)]	95,294,000	85,932,000
	1,613,043,999	951,682,000

Nature of Security and terms of repayment for secured borrowings

(a) Nature of Security

(i) Term Loan from GE Money Financial Services Private Limited amounting to Rs. Nil (March 31, 2015 Rs. 572,250,000) was secured by first pari passu charge on all movable operating assets, intangible assets, assignment of all permits, licences, approvals, and immovable properties, book debts, 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.

(ii) a) Term Loan from HDFC Bank amounting to Rs. 1,693,000,000 (March 31, 2015 Rs. 443,750,000) is secured by first pari passu charge on all the assets (fixed and current, present and future) of the Company.
b) Debit Authority Letter with undertaking to fund losses or provide funds to the Company in case of inadequate cash flows and Corporate Guarantee by Gateway Distriparks Limited, the Holding Company, for Term Loan 1 and 2, restricted upto Rs. 1,251,000,000.

(iii) Buyers' Credit from HDFC Bank amounting to Rs. 95,294,000 (March 31, 2015 Rs. 200,288,575) is secured by first pari passu charge on all the assets (fixed and current, present and future) of the Company, Debit Authority Letter with undertaking to fund losses or provide funds to the Company in case of inadequate cash flows and Corporate Guarantee of Gateway Distriparks Limited, the Holding Company.

Terms of Repayment

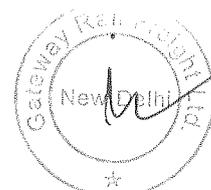
The Term Loan 1 from HDFC Bank is repayable within 8 years with 2 years moratorium in 24 Quarterly installments.
a. Term Loan of Rs. 1 Crore taken on November 03, 2010 is repayable in installments of Rs. 416,667 started from February 2013 with interest @ 10.32% - 9.76% per annum.
b. Term Loan of Rs. 10 Crore taken on July 09, 2012 is repayable in installments of Rs. 4,166,667 started from October 2014 with interest @ 11.50% - 9.70% per annum.
c. Term Loan of Rs. 10 Crore taken on December 26, 2012 is repayable in installments of Rs. 4,166,667 started from March 2015 with interest @ 11.50% - 9.70% per annum.
d. Term Loan of Rs. 5 Crore taken on May 07, 2013 is repayable in installments of Rs. 2,083,333 started from August 2015 with interest @ 11.50% - 9.70% per annum.
e. Term Loan of Rs. 35 Crore taken on April 15, 2015 is repayable in installments of Rs. 14,583,333 starting from July 2017 with interest @ 10.45% - 9.70% per annum.

The Term Loan 2 from HDFC Bank is repayable within 8 years with 2 years moratorium from the first drawdown in 24 Quarterly installments.
a. Term Loan of Rs. 10 Crore taken on December 22, 2014 is repayable in installments of Rs. 4,166,667 starting from March 2017 with interest @ 10.60% - 9.70% per annum.
b. Term Loan of Rs. 10 Crore taken on January 19, 2015 is repayable in installments of Rs. 4,166,667 starting from March 2017 with interest @ 10.60% - 9.70% per annum.
c. Term Loan of Rs. 15 Crore taken on January 11, 2016 is repayable in installments of Rs. 6,250,000 starting from March 2017 with interest @ 9.70% per annum.
d. Term Loan of Rs. 10 Crore taken on February 10, 2016 is repayable in installments of Rs. 4,166,667 starting from March 2017 with interest @ 9.70% per annum.
e. Term Loan of Rs. 10 Crore taken on March 15, 2016 is repayable in installments of Rs. 4,166,667 starting from March 2017 with interest @ 9.70% per annum.

The Term Loan 3 from HDFC Bank is repayable within 5 years in 20 Quarterly installments.
a. Term Loan of Rs. 54.5 Crore taken on September 29, 2015 is repayable in installments of Rs. 27,250,000 started from December 2015 with interest @ 9.75% - 9.70% per annum.

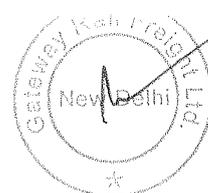
The Term Loan 4 from HDFC Bank is repayable within 8 years with 2 years moratorium in 24 Quarterly installments.
a. Term Loan of Rs. 10 Crore taken on March 31, 2016 is repayable in installments of Rs. 4,166,667 starting from June 2018 with interest @ 9.70% per annum.

Buyers' Credit of Rs. 95,294,000 is repayable in January 2018. The interest rate is LIBOR + 2.00%.



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
6. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Assets:		
Provision for Doubtful Debts and Advances	33,453,439	33,097,014
Disallowed u/s 43B of the Income Tax Act, 1961:		
-- Provision for Gratuity & Leave Encashment	14,533,236	15,390,683
-- Provision for Bonus	2,508,418	2,135,079
Disallowed u/s 40a (ia) of the Income Tax Act, 1961:	5,720,062	20,696,142
Accrual for expenses allowable on Payment/ Tax deduction basis		
Total	<u>56,215,155</u>	<u>71,318,919</u>
Deferred Tax Liability		
Depreciation on Fixed Assets	<u>124,892,324</u>	<u>134,575,712</u>
Total	<u>124,892,324</u>	<u>134,575,712</u>
Net Deferred Tax Liability (Refer Note 6 (a) below)	<u>68,677,169</u>	<u>63,256,793</u>
(a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.		
7. LONG TERM PROVISIONS		
Provision for Employee Benefits [Refer Notes 2(vi), 25 and 38]		
- Provision for Gratuity	14,908,289	16,585,033
- Provision for Compensated Absences	17,574,155	23,927,241
	<u>32,482,444</u>	<u>40,512,274</u>
8. SHORT TERM BORROWINGS		
Secured		
Buyers' Credit		
From Banks:		
HDFC Bank (Foreign Currency Loan) [Refer Note 5(a)(iii)]	-	64,448,998
	<u>-</u>	<u>64,448,998</u>
9. TRADE PAYABLES		
-- Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note 9(a)]	5,504,838	2,777,198
-- Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	257,334,123	248,791,628
	<u>262,838,961</u>	<u>251,568,826</u>
Note (a)		
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.		
10. OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings- GE Money Financial Services Private Limited [Refer Note 5(a)(i)]	-	109,000,000
Current maturities of long term borrowings- HDFC Bank [Refer Note 5(a)(ii)]	175,250,001	41,250,000
Current maturities of Buyers' Credit from HDFC Bank [Refer Note 5(a)(iii)]	-	49,907,577
Interest Accrued but not due on borrowings	13,233,703	5,782,223
Advances from Customers	29,534,475	19,889,161
Current maturities of Retention Money/ Deposits from Creditors for Tangible Assets	20,187,247	9,915,807
Other Payables:		
-- Creditors for Tangible and Intangible Assets	30,739,289	22,717,745
-- Employees	9,600,715	15,593,143
-- Directors' commission	28,277,500	-
-- Contractual Obligations	95,288,019	124,363,631
-- Statutory Liabilities	16,443,924	12,091,323
	<u>418,554,873</u>	<u>410,510,611</u>
11. SHORT TERM PROVISIONS		
Provision for Employee Benefits [Refer Notes 2(vi) 25 and 38]		
- Provision for Gratuity	1,815,979	380,663
- Provision for Compensated Absences	7,695,440	3,578,524
Provision for Wealth Tax (Net)	1,041	1,041
	<u>9,512,460</u>	<u>3,960,228</u>



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

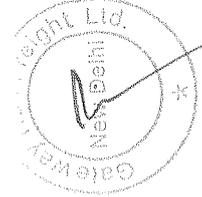
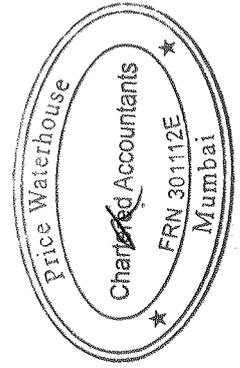
12. TANGIBLE ASSETS [Refer Notes 2(i), 2(ii) and 2(iii)]

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at April 1, 2015	Additions during the year	Disposals during the year	Adjustments during the year	As at March 31, 2016	As at March 31, 2015
Freehold Land [Refer Note 12(a)]	2,128,963,432	-	-	-	2,872,426,315	2,128,963,432
Buildings	1,878,929,660	138,782,594	-	-	2,017,712,204	1,611,208,299
Railway Sidings [Refer Note 12(b)]	540,304,998	1,106,175	-	-	541,409,173	446,344,471
Plant and Machinery	20,367,469	191,471	-	-	20,558,940	17,299,272
Other Equipments [Refer Notes 12(c) and 12(e)]	384,518,538	99,761,795	10,479,409	17,243,306	491,044,250	244,541,671
Office Equipments	29,042,342	6,962,321	-	-	30,705,667	13,119,956
Computers	76,417,105	1,663,000	-	-	78,080,105	31,492,000
Furniture and Fittings	108,495,072	13,448,902	-	-	121,943,974	79,440,478
Leasehold Improvements	-	-	-	-	-	80,865,334
Motor Vehicles [Refer Note 12(d)]	558,997,696	-	-	-	558,997,696	567,749
Rolling Stocks- Containers and Reefer Power Packs	267,705,805	-	-	-	267,705,805	80,567,055
Rolling Stocks- Rakes & Brake Van	2,670,645,989	59,365,411	-	-	2,730,011,400	117,412,867
Electrical Installations and Equipment	145,014,032	2,878,250	-	-	147,892,282	1,798,626,339
Total	8,816,663,510	1,067,622,757	10,479,409	17,243,306	9,891,050,164	7,293,544,004
				10,479,409	2,597,506,160	6,680,774,695

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at April 1, 2014	Additions during the year	Disposals during the year	Adjustments during the year	As at March 31, 2015	As at March 31, 2014
Freehold Land [Refer Note 12(a)]	1,843,438,529	-	-	-	2,128,963,432	1,843,438,529
Buildings	1,771,340,077	107,589,583	-	-	1,878,929,660	1,611,208,299
Railway Sidings [Refer Note 12(b)]	283,238,197	257,064,801	-	-	540,304,998	446,344,471
Plant and Machinery	12,273,784	8,093,685	-	-	20,367,469	17,299,272
Other Equipments [Refer Notes 12(c) and 12(e)]	405,964,353	24,060,961	15,184,452	(30,322,304)	384,518,538	244,541,671
Office Equipments	25,539,637	3,526,625	23,920	-	28,045,342	13,119,956
Computers	64,915,343	11,501,762	-	-	76,417,105	19,920,642
Furniture and Fittings	87,939,912	20,555,160	-	-	108,495,072	31,492,000
Leasehold Improvements	5,441,565	-	-	-	5,441,565	79,440,478
Motor Vehicles [Refer Note 12(d)]	476,543,357	1,821,787	-	-	478,365,144	80,567,055
Rolling Stocks- Containers and Reefer Power Packs	262,960,320	84,357,239	-	-	347,317,559	117,412,867
Rolling Stocks- Rakes & Brake Van	2,670,645,989	4,745,485	-	-	2,675,391,474	1,798,626,339
Electrical Installations and Equipment	128,624,869	16,389,163	-	-	145,014,032	111,191,106
Total	8,038,865,932	825,231,154	17,111,272	(30,322,304)	8,816,663,510	6,344,380,001
				2,135,888,815	2,135,888,815	6,680,774,695

Notes:

- Land situated at Asoti aggregating Rs. 2,033,943 (Previous Year: Rs. 2,033,943) is yet to be transferred in the name of the Company.
- Certain railway sidings are constructed on land not owned by the Company.
- Other Equipments include Reach Stackers costing Rs. 409,604,922 (Previous Year: Rs. 309,815,277) and having Net Book Value Rs. 255,398,031 (Previous Year: Rs. 189,076,259).
- Motor Vehicles include Trailers costing Rs. 555,762,011 (Previous Year: Rs. 355,762,011) and having Net Book Value Rs. 64,964,138 (Previous Year: Rs. 79,026,488).
- According to the notification No. G.S.R. 696 dated December 29, 2011, issued by Ministry of Corporate Affairs, the Accounting Standard 11 (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.
 - And in other cases, accumulated in a Foreign Currency Monetary transition account and amortised over the balance period of such long term Asset / Liability.
- Pursuant to such notification, in the current year exchange Loss of Rs. 17,243,306 (Previous Year Gain: Rs. 30,322,304) in Other equipments, arising on reporting long term foreign currency monetary items relating to Tangible Assets has been added to the cost of Tangible Assets.
- In Addition during the year in capital work in progress includes borrowing costs amounting to Rs. 7,666,013 (Previous Year: Rs. Nil)



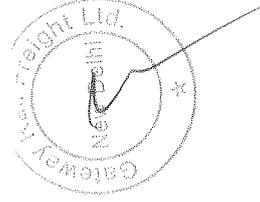
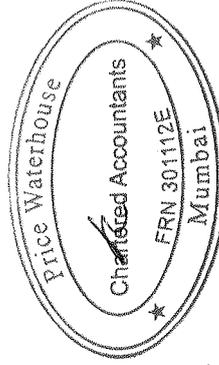
GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

13. INTANGIBLE ASSETS [Refer Notes 2(ii), 2(iii) and 2(iv)]

Particulars	GROSS BLOCK			AMORTISATION		NET BLOCK	
	As at April 1, 2015	Additions during the year	Disposals during the year	As at March 31, 2016	For the year (Disposals)/ Adjustments during the year	As at March 31, 2016	As at March 31, 2015
Intangible Assets (Acquired) :							
Rail License Fees [Refer Note 13(a)]	500,000,000	-	-	500,000,000	25,000,000	279,166,667	304,166,667
PFT License Fees [Refer Note 13(b)]	-	20,000,000	-	20,000,000	666,667	19,333,333	-
Technical Know-How	100,000,000	-	-	100,000,000	-	-	-
Computer Software	3,365,127	-	-	3,365,127	673,025	673,027	1,346,052
Total	603,365,127	20,000,000	-	603,365,127	26,339,692	299,173,027	305,512,719
Particulars							
Intangible Assets (Acquired) :							
Rail License Fees [Refer Note 13(a)]	500,000,000	-	-	500,000,000	25,000,000	304,166,667	329,166,667
Technical Know-How	100,000,000	-	-	100,000,000	-	100,000,000	-
Computer Software	3,365,127	-	-	3,365,127	673,025	1,346,052	2,019,077
Total	603,365,127	-	-	603,365,127	25,673,025	305,512,719	331,185,744

a) Rail License Fees aggregating Rs. 500,000,000 (Previous Year: Rs. 500,000,000) paid to Railway Administration towards Concession Agreement is amortised over the period of contract (i.e. 20 years) from date of commencement of commercial operations (June 1, 2007). Balance useful life of Rail License Fees as at March 31, 2016 is 11 years and 2 months (Previous Year: 12 years 2 months).

b) Private Freight Terminal (PFT) License fees aggregating Rs. 20,000,000 (Previous Year: Rs. Nil) paid to Railway Administration is amortised over the period of contract (i.e. 30 years).



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

14. NON CURRENT INVESTMENTS

[Refer Note 2(v)]

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Trade Investment (valued at cost)		
<i>Unquoted Equity Instruments</i>		
Investment in Subsidiary Company: 50,997 Equity Shares (Previous Year: 50,997) of Rs. 10 each held in Container Gateway Limited.	509,970	509,970
Less: Diminution in value of investment	509,970	509,970
	<u>-</u>	<u>-</u>
Aggregate amount of unquoted investment	509,970	509,970
Aggregate provision for diminution in value of investment	509,970	509,970

15. LONG TERM LOANS AND ADVANCES

**Unsecured, Considered Good
(Unless otherwise stated)**

Capital Advances	74,089,340	91,373,926
Considered Good	1,025,591	1,025,591
Considered Doubtful	75,114,931	92,399,517
Less: Provision for Doubtful Advances	1,025,591	1,025,591
	<u>74,089,340</u>	<u>91,373,926</u>
Security Deposits		
Considered Good	33,007,464	33,047,444
Considered Doubtful	200,000	200,000
	<u>33,207,464</u>	<u>33,247,444</u>
Less: Provision for Doubtful Deposits	200,000	200,000
	<u>33,007,464</u>	<u>33,047,444</u>
Loans/Advances to Subsidiary Company		
Considered Good	28,835	8,350
Considered Doubtful	217,458	217,458
	<u>246,293</u>	<u>225,808</u>
Less: Provision for Doubtful Advances	217,458	217,458
	<u>28,835</u>	<u>8,350</u>
Advances Recoverable in Cash or in Kind or for Value to be Received		
Considered Good	-	662,530
Considered Doubtful	5,050,828	7,861,997
	<u>5,050,828</u>	<u>8,524,527</u>
Less: Provision for Doubtful Advances	5,050,828	7,861,997
	<u>-</u>	<u>662,530</u>
Tax Deducted at Source and Advance Tax [Net of Provision for Tax Rs. 741,996,236 (Previous Year: Rs. 430,388,161)]	41,624,093	24,791,135
Minimum Alternate Tax Credit Entitlement [Refer Note 15(a)]	-	277,863,238
	<u>148,749,732</u>	<u>427,746,623</u>

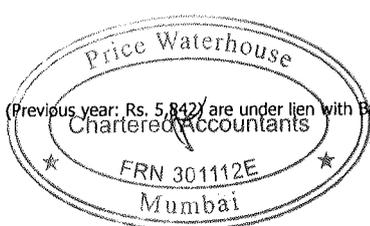
Note (a)

Provision for income tax for current year is made as per Income Tax Act, 1961 (the "Income Tax Act"). Considering the provision of Income Tax Act and based on assessment of future profitability, the Company had taken MAT credit of Rs. 277,863,238 till financial year 2014-15, as MAT credit can be set-off against future tax liability. Of the above, the Company has utilised MAT Credit of Rs. 126,653,906 during the financial year ended March 31, 2016. Accordingly Rs. 151,209,333 (Previous Year: Rs. Nil) is carried as MAT Credit entitlement under "Short-term Loans & Advances as at March 31, 2016.

16. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good (Unless otherwise stated)		
Non-Current Bank Balances		
Long term deposits with banks with maturity period more than 12 months [Refer Note (a) below]	33,111,362	2,951,249
Accrued Ground Rent		
-- Considered Good	-	-
-- Considered Doubtful	11,818,700	9,592,350
	<u>11,818,700</u>	<u>9,592,350</u>
Less: Provision for Doubtful Ground Rent	11,818,700	9,592,350
	<u>-</u>	<u>-</u>
	<u>33,111,362</u>	<u>2,951,249</u>

Note (a): Fixed Deposits aggregating Rs. 29,216,196 (Previous year: Rs. 5,842) are under lien with Banks towards guarantees and Letter of Credit issued by them.



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

17. CURRENT INVESTMENTS
[Refer Note 2(v)]

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Investment in Mutual Fund (Unquoted) (at lower of cost or market value)		
UTI Treasury Advantage Fund - Institutional Plan - Growth Nil units (Previous Year: 425,527.354 units), with face value of Rs. 1,000	-	810,000,000
Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend -Re-investment 544,034.103 units (Previous Year: Nil units), with face value of Rs. 1,000.	648,538,957	-
ICICI Prudential Flexible Fund - Direct Plan - Daily Dividend 670,583.76 units (Previous Year: Nil units), with face value of Rs. 100.	70,896,119	-
Kotak Low Duration fund - Direct Plan - Monthly Dividend Re-investment 636,246.59 units (Previous Year: Nil units), with face value of Rs. 1,000.	661,485,535	-
	1,380,920,611	810,000,000
Aggregate amount of unquoted investment	1,381,046,098	810,000,000
Aggregate provision for diminution in value of investment	125,487	-

18. TRADE RECEIVABLES

Unsecured		
Overdue for more than Six months from the date they are due for payment		
-- Considered Good	418,595	2,144,710
-- Considered Doubtful	77,841,343	76,736,601
Others		
-- Considered Good	601,644,319	711,598,982
-- Considered Doubtful	-	-
	679,904,257	790,480,293
Less: Provision for Doubtful Debts	77,841,343	76,736,601
	602,062,914	713,743,692

19. CASH AND BANK BALANCES

Cash and Cash Equivalents		
Cash on Hand	461,956	1,275,014
Balances with Banks:-		
Current Account	76,869,203	77,268,115
Bank Deposits with maturity of period less than 3 months [Refer Note (a) below]	77,331,159	78,543,129
Other Bank Balances		
Current maturities of fixed deposit more than 3 months but less than 12 months [Refer Note (a) below]	30,617,802	56,131,759
	30,617,802	56,131,759
	107,948,961	134,674,888

Note (a): Fixed Deposits aggregating Rs. 29,219,395 (Previous year: Rs.52,043,759) are under lien with Banks towards guarantees and Letter of Credit issued by them.

20. SHORT TERM LOANS AND ADVANCES

Unsecured, Considered Good (Unless otherwise stated)		
Prepaid Expenses	15,268,753	18,356,532
Security Deposits	969,680	3,536,348
Balances with Government Authorities	10,882,547	5,530,843
Advances Recoverable in Cash or in Kind or for Value to be Received	66,362,597	56,204,831
Minimum Alternate Tax Credit Entitlement [Refer Note 15(a)]	151,209,333	-
	244,692,910	83,628,554

21. OTHER CURRENT ASSETS

Interest Accrued but not due on Fixed Deposits with Banks	1,477,259	5,407,490
Accrued Ground Rent	1,572,570	2,073,900
Unbilled Revenue	18,456,047	7,609,118
	21,505,876	15,090,508



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

22. REVENUE FROM OPERATIONS

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Operating Income [Refer Note 2(vii)]		
-- Rail Transport	6,010,425,803	5,445,597,193
-- Road Transport	557,839,047	426,825,230
-- Container Storage, Handling and Ground Rent	713,833,342	975,821,000
Auction Income	2,252,777	43,793,326
Other Operating Revenues		
Rent	19,765,029	21,162,848
	7,304,115,998	6,913,199,597

23. OTHER INCOME

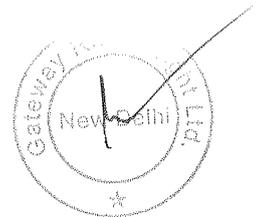
Interest Income		
- Interest on Fixed Deposit with Banks - Gross	5,573,549	6,610,666
- Interest on Income Tax Refund	-	4,776,080
Profit on sale of Fixed Assets	3,876,342	1,351,859
Dividend Income on Current Investment	53,398,630	17,956,809
Gain on Sale of Current Investment	1,451,556	32,486,430
Liabilities/ Provisions no longer required Written back	47,569,627	10,946,544
Sale of Scrap	2,170,145	1,972,037
Miscellaneous Income	5,151,417	2,034,393
	119,191,266	78,134,818

24. OPERATING EXPENSES

Rail Transport	4,561,129,597	3,988,653,706
Road Transport	520,366,531	490,205,214
Container Storage, Handling and Repairs	134,517,477	167,930,187
Auction Expenses	1,955,741	12,587,716
	5,217,969,346	4,659,376,823

25. EMPLOYEE BENEFITS EXPENSES

Salaries, Allowances and Bonus	199,501,320	152,192,495
Contribution to Provident and Other Funds [Refer Note 38]	9,696,479	8,423,568
Compensated Absences	1,629,859	11,181,331
Gratuity [Refer Note 38]	1,063,333	5,232,519
Staff Welfare	5,908,448	5,776,080
	217,799,439	182,805,993



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2016

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
26. FINANCE COSTS		
-- Interest on Term Loans	125,983,388	104,406,220
-- Interest on Buyers' Credit	2,966,506	3,182,550
-- Interest on Cash Credit	2,951,398	1,549,949
-- Interest on Taxes	1,509	1,338,801
	131,902,801	110,477,520
27. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Tangible Assets (Refer Note 12)	472,096,754	449,039,463
Amortisation on Intangible Assets (Refer Note 13)	26,339,692	25,673,025
	498,436,446	474,712,488
28. OTHER EXPENSES		
Power and Fuel	74,437,992	89,267,388
Rent [Refer Note 37]	88,903,642	41,670,031
Rail License Fees	35,006,365	44,112,313
Rates and Taxes	186,176	446,428
Repairs and Maintenance		
-- Plant and Equipment (including Yard Equipments)	12,413,615	3,060,229
-- Buildings/ Yard	8,795,213	6,892,018
-- Others	19,195,283	17,043,303
Insurance	20,722,979	21,060,914
Customs Staff Expenses	19,307,887	22,323,955
Printing and Stationery	5,658,742	4,156,464
Travelling and Conveyance	31,057,898	30,733,020
Vehicle Maintenance Expenses	945,702	1,028,785
Communication	10,385,591	10,002,035
Advertisement and Business Promotion	11,595,235	8,054,516
Corporate Social Responsibility [Refer Note 40]	14,117,379	7,625,935
Legal and Professional Charges	21,788,704	17,223,137
Director Sitting Fees	3,500,000	800,000
Security Charges	44,400,306	32,191,246
Auditors' Remuneration		
-- Audit Fees	1,500,000	1,850,000
-- Out of Pocket Expenses	12,073	27,268
Bad Debts	-	21,896,716
Less: Provision for Doubtful Debts Adjusted	-	(21,896,716)
Provision for Doubtful Debts (Net)	1,104,741	168,420
Provision for Doubtful Ground Rent (Net)	2,226,350	3,241,750
Provision for Diminution in value of Investment	125,487	-
Bank Charges	5,943,802	9,310,511
	433,331,162	372,289,666



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2016

29. Commitments:**a) Capital Commitments:**

Estimated amount of contracts [net of Capital Advances of Rs. 3,800,127 (Previous Year Rs. 2,944,300)] to be executed on capital account, and not provided for is Rs. 665,446,419 (Previous Year Rs. 487,057,477).

b) Other Commitments:

The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rates of duty under obligation to export cargo handling services of Rs. 425,177,658 (Previous Year: Rs. 425,177,658) within a period of six years.

30. Contingent Liabilities:

Particulars	(Rupees)	
	As at March 31, 2016	As at March 31, 2015
Bank Guarantees and Continuity Bonds executed in favour of The President of India through the Commissioners of Excise and Customs and Sales Tax	30,742,800,000	30,795,300,000
Claims made by the parties not acknowledged as debts:		
- Container Corporation of India [Refer Note 31 (a)]	Not Ascertainable	Not Ascertainable
- Northern Railway [Refer Note 31 (b)]	14,893,945	14,893,945

31. (a) The Company and its Holding Company, Gateway Distriparks Limited ("GDL") 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 the Company and GDL 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.

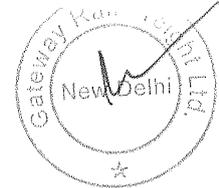
31. (b) The Railway Authorities had deducted Rs. 14,843,945 towards Siding & Shunting charges for financial year 2010-11, however letter has been received in April'13 from Railway Authorities that the deduction made by Railways is not justified and will be refunded back to the company. However till now the Company has not received the money, hence the same has been disclosed as 'Claims made by the parties not acknowledged as debts'.

32. Segment Reporting:**Primary Segment:**

The Company is mainly engaged in "Rail Logistics Business" which is considered as the primary reportable business segment in accordance with Accounting Standard 17 – "Segment Reporting". 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 ended March 31, 2016.

Secondary Segment:

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



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of Financial Statements for the year ended March 31, 2016

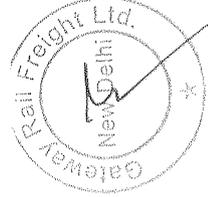
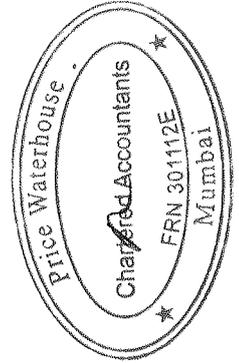
33. Related Party Disclosures

Related Party Disclosures, as required by Accounting Standard 18 – "Related Party Disclosures".

- (i) **Holding Company:** - Gateway Distriparks Limited (GDL)
- (ii) **Subsidiary Company:** - Container Gateway Limited (CGL)
- (iii) **Fellow Subsidiary Companies**
Gateway East India Private Limited
Gateway Distriparks (Kerala) Limited
Chandra CFS and Terminal Operators Private Limited
- (iv) **Entities in which enterprise have significant influence or entity in which directors are interested**
Newsprint Trading and Sales Corporation (NTSC)
Prism International Private Limited
Perfect Communications Private Limited
- (v) **Key Management Personnel**
Mr. Prem Kishan Gupta (Chairman and Managing Director)
Mr. Ishaan Gupta (Director)
Mr. Samvid Gupta (Director)
Mrs. Mamta Gupta (Director)
Mr. Sachin Bhanushali (Chief Executive Officer)

(Rupees)

Sr. No.	Particulars	Holding Company (GDL)		Subsidiary Company (CGL)		The entity in which directors are interested		Key Management Personnel		Total	
		2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
	Transactions during the year:										
1	Reimbursement of Other Operational expenses incurred on our behalf	-	-	-	-	9,750	850,486	-	-	9,750	850,486
2	Operation and Management Fees (excluding Service-tax)	-	16,788,480	-	-	-	-	-	-	-	16,788,480
3	Renting of Services (excluding Service-tax)	-	-	-	-	2,786,150	2,556,137	-	-	2,786,150	2,556,137
4	Purchase of Tangible Assets (excluding Sales-tax)	749,000,000	-	-	-	90,493	-	-	-	749,000,000	90,493
5	Reimbursement of Other Administrative expenses incurred on their behalf	-	-	31,681	37,542	104,067	13,892	-	-	135,748	51,434
6	Remuneration	-	-	-	-	-	-	-	-	-	-
7	Director Sitting Fees	-	-	-	-	-	-	19,287,840	14,081,330	19,287,840	14,081,330
	Mr. Prem Kishan Gupta	-	-	-	-	-	-	500,000	100,000	500,000	100,000
	Mr. Ishaan Gupta	-	-	-	-	-	-	500,000	100,000	500,000	100,000
	Mr. Samvid Gupta	-	-	-	-	-	-	200,000	-	200,000	-
	Mrs. Mamta Gupta	-	-	-	-	-	-	200,000	-	200,000	-
8	Commission	-	-	-	-	-	-	-	-	-	-
	Mr. Prem Kishan Gupta	-	-	-	-	-	-	22,500,000	-	22,500,000	-
	Mr. Ishaan Gupta	-	-	-	-	-	-	1,000,000	-	1,000,000	-
	Mr. Samvid Gupta	-	-	-	-	-	-	1,000,000	-	1,000,000	-
	Mrs. Mamta Gupta	-	-	-	-	-	-	1,000,000	-	1,000,000	-
		749,000,000	16,788,480	31,681	37,542	2,899,967	3,511,008	46,187,840	14,281,330	798,119,488	34,618,360
	Closing Balance										
1	Equity Share Capital (Refer Note 3)	1,981,000,000	1,981,000,000	-	-	-	-	-	-	1,981,000,000	1,981,000,000
2	Zero Coupon Redeemable Preference Share Capital	1,150,000,000	1,150,000,000	-	-	-	-	-	-	1,150,000,000	1,150,000,000
3	Investment in Equity Shares	-	-	509,970	509,970	-	-	-	-	509,970	509,970
4	Advance Receivable	-	-	246,293	225,808	-	-	-	-	246,293	225,808
5	Commission Payable to	-	-	-	-	-	-	-	-	-	-
(a)	Mr. Prem Kishan Gupta	-	-	-	-	-	-	20,250,000	-	20,250,000	-
(b)	Mr. Ishaan Gupta	-	-	-	-	-	-	900,000	-	900,000	-
(c)	Mr. Samvid Gupta	-	-	-	-	-	-	900,000	-	900,000	-
(d)	Mrs. Mamta Gupta	-	-	-	-	-	-	900,000	-	900,000	-
		3,131,000,000	3,131,000,000	756,263	735,778	-	-	22,950,000	-	3,154,706,263	3,131,735,778



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2016

34. Computation of Earnings per Share (Basic and Diluted)

The number of shares used in computing Basic and Diluted Earnings per Share is the weighted average number of shares outstanding during the year.

Computation of Earnings Per Share (Basic and Diluted)	2015-2016	2014-2015
I. Net Profit attributable to Shareholders (Rupees.)	606,839,619	1,048,892,008
II. Weighted average number of Equity Shares outstanding	201,500,250	201,500,250
III. Weighted average number of Potential Equity Shares on account of Compulsory Convertible Preference Shares	200,400,000	200,400,000
IV. Weighted Average number of Shares outstanding for Diluted Earnings Per Share	401,900,250	401,900,250
V. Basic Earnings Per Share (Rupees.)	3.01	5.21
VI. Diluted Earnings Per Share (Rupees.)	1.51	2.61
VII. Face value per Share (Rupees.)	10.00	10.00

35. Expenditure in Foreign Currency:

Particulars	(Rupees)	
	2015-2016	2014-2015
Membership Fees	40,459	40,853
Directors' Sitting Fees	700,000	300,000
Director Commission	2,500,000	-
Interest On Buyers' Credit	2,966,506	3,182,550

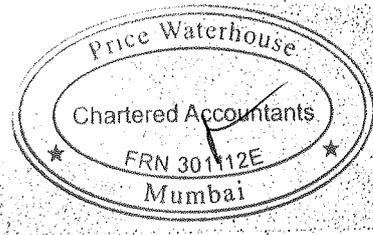
36. CIF Value of Imports:

Particulars	(Rupees)	
	2015-2016	2014-2015
Capital Goods	-	84,568,000
Total	-	84,568,000

37. The Company has taken office premises under non-cancellable operating lease and lease rent of Rs. 4,579,220 (Previous Year Rs. 8,974,128) has been included under the head 'Other Expenses - Rent' under Note "28" in the Statement of Profit and Loss.

Particulars	Minimum Future Lease Rentals			Amount recognised during the year
	Due within one year	Due later than one year and not later than five years	Due later than five years	
	For the year ended March 31, 2016	1,440,000	6,132,000	
For the year ended March 31, 2015	3,739,220	-	-	8,974,128

In addition, the Company has entered into various cancellable leasing arrangements for office and residential premises in respect of which an amount of Rs. 88,632,706 (Previous Year Rs. 32,425,708) has been appropriately included under 'Other Expenses - Rent' under Note "28" in the Statement of Profit and Loss.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2016

38. Disclosure as per Accounting Standard 15 (Revised) – Employee Benefits:

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

I Defined Contribution Plans

- a. Provident Fund
- b. State Defined Contribution Plans
 - i. Employers' Contribution to Labour Welfare Fund
 - ii. Employers' Contribution to Employee's Pension Scheme 1995
 - iii. Employers' Contribution to Employee's State Insurance Commission

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

Particulars	(Rupees)	
	2015-2016	2014-2015
- Employers' Contribution to Provident Fund *	9,625,657	8,342,341
[Includes Administrative Charges, EDLI charges and Employers' Contribution to Employee's Pension Scheme 1995]		
Employers' Contribution to Labour Welfare Fund*	29,143	29,360
Employers' Contribution to Employee's State Insurance Commission*	41,679	51,867
Total	9,696,479	8,423,568

* Included in Contribution to Provident and Other Funds (Refer Schedule "25")

II Defined Benefit Plan

A. Gratuity

- (i) 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:-

Particulars	(% per annum)	
	2015-2016	2014-2015
Discount Rate (Per Annum)	7.95	7.80
Rate of increase in Compensation Levels	11.00	11.00
Attrition Rate	5-25	2.00

The estimates of future salary increase, considered in actuarial valuation, takes into account, Inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

The Company has Non-Funded Gratuity Plan; accordingly changes in present value of plan assets, percentage of each category of plan assets to total fair value of plan assets and reconciliation of present value of defined benefit obligation and fair value of assets for funded scheme have not been disclosed.

- (ii) Changes in the Present Value of Obligation

Particulars	(Rupees)	
	Unfunded Plan March 31, 2016	Unfunded Plan March 31, 2015
Present Value of Obligation as at the beginning of the year	16,965,716	11,821,553
Interest Cost	1,272,440	1,071,740
Past Service Cost	-	-
Current Service Cost	2,984,531	3,884,306
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits Paid	(1,304,761)	(88,376)
Actuarial loss/(Gain)	(3,193,658)	276,493
Present Value of Obligation as at the end of the year	16,724,268	16,965,716

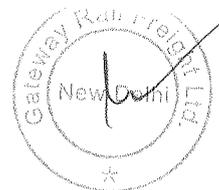
- (iii) Amount recognised in the Balance Sheet

Particulars	(Rupees)	
	2015-2016	2014-2015
Present Value of Obligation as at the end of the year	16,724,268	16,965,716
Fair Value of Plan Assets as at the end of the year	-	-
Net Liability recognised as at the end of the year	16,724,268	16,965,716
Recognised under:		
Long Term Provision (Refer note 7)	14,908,289	16,585,033
Short Term Provision (Refer note 11)	1,815,979	380,663
Total	16,724,268	16,965,696

- (iv) Expenses recognised in the Statement of Profit and Loss Account

Particulars	(Rupees)	
	2015-2016	2014-2015
Current Service Cost	2,984,531	3,884,306
Past Service Cost	-	-
Interest Cost	1,272,440	1,071,740
Expected Return of Plan Assets	-	-
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Actuarial Loss/(Gain)	(3,193,658)	276,493
Total Expenses Recognised in the Statement of Profit and Loss **	1,063,313	5,232,539

** Included in Employee Benefits Expenses "Gratuity" (Refer Note "25")



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2016

(v) Details of Present Value of Obligation, Plan Assets and Experience Adjustment.

Particulars	(Rupees)				
	2015-16	2014-15	2013-14	2012-13	2011-2012
Present Value of Obligation	16,724,268	16,965,716	11,821,553	11,463,584	8,981,933
Fair Value of Plan Assets	-	-	-	-	-
(Surplus) / Deficit	16,724,268	16,965,716	11,821,553	11,463,584	8,981,933
Experience Adjustment on Plan Liabilities (Gain)/Loss	3,193,658	276,493	(3,236,822)	(2,326,635)	1,159,637

III Other Employee Benefit Plan

The liability for Compensated Absences (Non-funded) as at year end is Rs. 25,269,595 (Previous Year Rs. 27,505,765). (Refer Note "7" and "11")

39. Disclosure of Unhedged Exposure:

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2016 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount March 31, 2016	Amount (In Rupees) March 31, 2016	Amount (In Rupees) March 31, 2015	
				Foreign Currency Amount	Amount
Buyers' Credit	USD	-	-	108,513	6,941,577
Buyers' Credit	EURO	1,240,000	95,294,000	2,790,000	193,346,998
Interest Accrued but not due on Buyers' Credit	USD	-	-	606	38,762
Interest Accrued but not due on Buyers' Credit	EURO	2,925	224,795	19,802	1,372,255

40. Corporate Social Responsibility Expenditure:

Gross amount required to be spent by the company during the year Rs. 13,743,428 (Previous Year Rs. 7,357,595)
Amount spent during the year on: Rs. 14,117,379

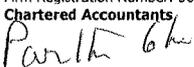
S.No.	Particulars	2015-2016	2014-2015
(i)	Construction/ acquisition of any asset	13,117,379	7,625,935
(ii)	On purposes other than (i) above	1,000,000	-
	Total	14,117,379	7,625,935

41. Dues to micro and small enterprises

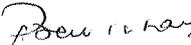
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosures pursuant to the said MSMED Act are as follows:

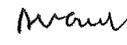
Particulars	31 March 2016		31 March 2015	
	Non-current	Current	Non-current	Current
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	5,504,838	-	2,777,198
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-	-
Further interest remaining due and payable for earlier years	-	-	-	-

42. Previous year figures have been regrouped and reclassified to conform with current year's classification.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No.: 055913

For and on behalf of the Board of Directors


Prem Kishan Dass Gupta
Chairman and
Managing Director
DIN:- 00011670


Arun Kumar Gupta
Director
DIN:- 06571270


B. K. Sahoo
Chief Finance Officer


Nandan Chopra
Vice President
(Finance and Accounts) and
Company Secretary

Place: New Delhi
Date: April 26, 2016

Place: New Delhi
Date: April 26, 2016