

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Gateway Rail Freight Limited

Report on the Consolidated Financial Statements

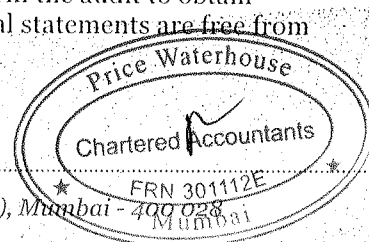
1. We have audited the accompanying consolidated financial statements of Gateway Rail Freight Limited ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") (refer Note 2 (ii)(b) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with 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. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, 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.
4. 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 consolidated financial statements are free from material misstatement.



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5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

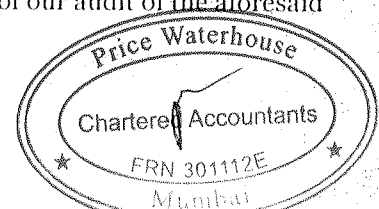
Other Matter

8. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs 1,295,114 and net assets of Rs 1,000,000 as at March 31, 2016, total revenue of Rs. Nil, net profit/ net loss of Rs Nil and net cash inflows amounting to Rs 84,492 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Gateway Rail Freight Limited

Report on the Consolidated Financial Statements

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- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies 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 Holding Company, its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (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 information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group— Refer Note of 30 and 31 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Group 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 Holding Company, and its subsidiary company incorporated in India 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 9(f) of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the consolidated financial statements for the year ended March 31, 2016

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

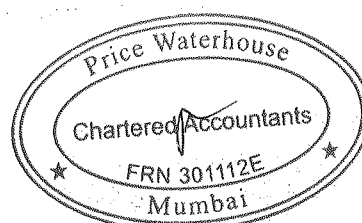
1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Gateway Rail Freight Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary company, which is company incorporated in India, are 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 the respective 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.

Auditor's 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

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

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5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

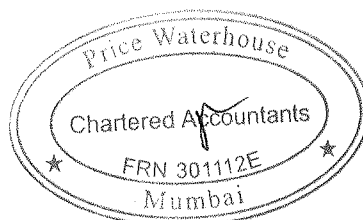
6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's 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 Holding Company, its subsidiary company, which is company incorporated in India, have, 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.



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

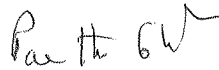
Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the consolidated financial statements for the year ended March 31, 2016

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Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Partha Ghosh
Partner
Membership Number 55913

New Delhi
April 26, 2016

GATEWAY RAIL FREIGHT LIMITED
Consolidated 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	2,169,095,767	1,562,256,148
		8,292,098,267	7,685,258,648
Minority Interest		490,030	490,030
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
		1,714,203,612	1,055,451,067
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	418,588,223	410,533,083
Short-Term Provisions	11	9,527,931	3,977,204
		690,955,115	730,528,111
Total		10,697,747,024	9,471,727,856
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	148,736,278	427,756,806
Other Non-Current Assets	16	34,363,227	3,610,550
		8,340,587,884	7,714,002,792
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	107,948,986	135,146,653
Short-Term Loans and Advances	20	244,692,910	83,628,554
Other Current Assets	21	21,533,719	15,206,165
		2,357,159,140	1,757,725,064
Total		10,697,747,024	9,471,727,856

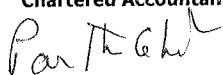
Significant Accounting Policies

2

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

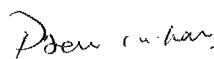
In terms of our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Partha Ghosh
Partner
Membership No.: 055913

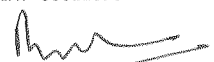
For and on behalf of the Board of Directors



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**Consolidated 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	5,799,662,491
Profit Before Tax		923,868,070	1,191,671,925
Tax Expense			
-- Current Year [Refer Notes 2(x)(a) and 14(a)]		184,954,169	241,937,902
-- Minimum Alternate Tax Utilised / (Credit Entitlement) [Refer Notes 2(x)(c) and 15(a)]		126,653,906	(62,276,644)
-- Earlier Years		-	-
-- Deferred Tax [Refer Notes 2(x)(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(xv) 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

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: *April 26, 2016*

GATEWAY RAIL FREIGHT LIMITED
Consolidated 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	702,510	(7,191,542)
- Increase in Current Loans and Advances	(9,855,026)	(6,784,529)
- Increase in Other Non-Current Assets	(2,262,682)	(3,241,750)
- (Increase)/ Decrease in Other Current Assets	(10,345,599)	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	7,218,252	58,167,768
Cash generated from operations	1,598,189,846	1,547,713,055
- Taxes Paid	201,785,481	227,686,349
Net cash generated from operating activities	(A) 1,396,404,365	1,320,026,706
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)	(4,732,854)	(23,502,617)
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	9,591,594	5,884,039
Net cash flow from investing activities	(B) (1,827,929,340)	(1,331,913,635)
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) (1,214,176)	(1,648,830)
Cash and Cash Equivalents at the beginning of the year	78,545,360	80,194,190
Cash and Cash Equivalents at the end of the year	77,331,184	78,545,360
Net Decrease in Cash and Cash Equivalents	(1,214,176)	(1,648,830)



GATEWAY RAIL FREIGHT LIMITED**Consolidated 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	76,869,228	77,270,346
Cash and Cash equivalents at end of the year	<u>77,331,184</u>	<u>78,545,360</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

B. K. Sahoo

B. K. Sahoo
Chief Finance Officer

Arun Kumar Gupta

Arun Kumar Gupta
Director

DIN:- 06571270

Nandan Chopra

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
Notes annexed to and forming part of the Consolidated 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.

The Company's Subsidiary Container Gateway Limited has been formed as a joint venture company (JV Company) between Container Corporation of India Ltd. and Gateway Rail Freight Ltd. with the share capital ratio of 49% and 51% respectively. The main objects of the company are to set up, manage and operate Container Freight Stations and manage road/rail linked Container Terminal at Garhi Harsaru.

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) Principles of consolidation:

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

- Subsidiaries are consolidated from the date on which control is transferred to the Group and are not consolidated from the date that control ceases.
- The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and intra-group transactions and resulting profits/ losses are eliminated in full.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The excess cost of the Company of its investment in the subsidiaries is recognised in the financial statements as goodwill on consolidation. The excess of the Company's portion of equity and reserves of the subsidiaries at the time of its investment is treated in the financial statements as capital reserve.

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

Name of the Company	Country of Incorporation	% voting power as at March 31, 2016	% voting power as at March 31, 2015
Container Gateway Limited	India	51% (Shares allotted/ acquired on October 27, 2010)	51% (Shares allotted/ acquired on October 27, 2010)

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

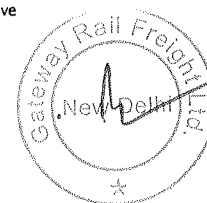
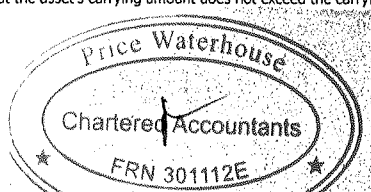
(a) Tangible and Intangible Assets are stated at cost of acquisition or construction less accumulated depreciation/ amortisation and accumulated impairment losses, if any. The Company capitalises all costs relating to the acquisition, installation and construction of tangible and intangible assets up 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.



GATEWAY RAIL FREIGHT LIMITED

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

(iv) Incidental Expenditure Pending Capitalisation:

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

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

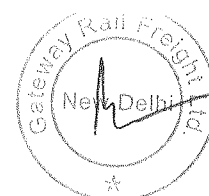
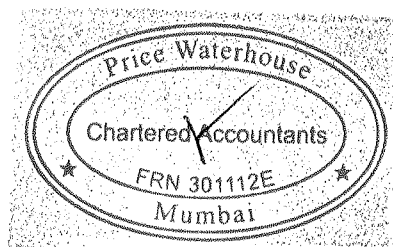
(c) Other Employee Benefits

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.



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

(ix) 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.
- (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.
- (g) The subsidiary company has not commenced its operations till the year end as at 31st March, 2016 hence, no revenue generated during the year.

(x) 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.

(b) Deferred Taxation

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.

- (d) 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 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.

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) Cash and Cash Equivalents:

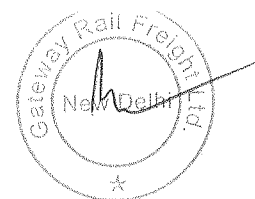
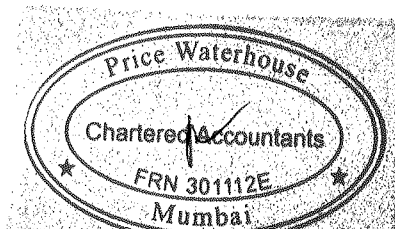
In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(xv) 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.

(xvi) 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 Consolidated Financial Statements for the year ended March 31, 2016

3. SHARE CAPITAL

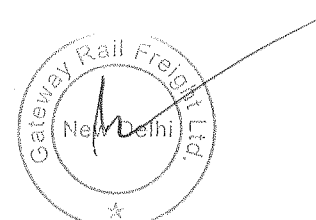
	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Authorised:		
402,700,000 (Previous Year: 402,700,000) Equity Shares of Rs. 10 each	4,027,000,000	4,027,000,000
100 (Previous Year: 100) Equity Shares of Rs. 25 each	2,500	2,500
120,000,000 (Previous Year: 120,000,000) Compulsory Convertible Preference 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 Consolidated 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].

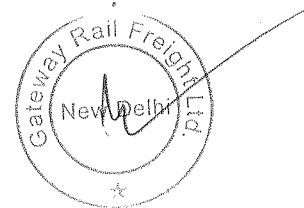
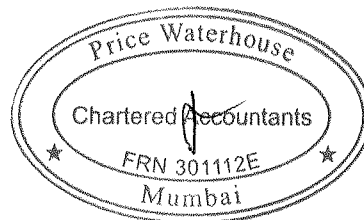
(E) Sweat Equity Shares:

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	1,549,051,039	509,630,709
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>2,155,890,658</u>	<u>1,558,522,717</u>
Less: Depreciation of earlier years charged to Reserves	-	9,471,678
	<u>2,169,095,767</u>	<u>1,562,256,148</u>



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated 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

Terms of Repayment

(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.

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.

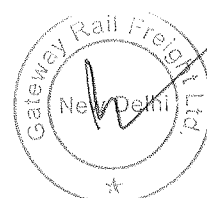
(iii) Buyers' Credit from HDFC Bank amounting to Rs. 95,294,000 (March 31, 2015 Rs. 200,288,575) is secured by first pari passu charge on all the assets (fixed and current, present and future) of the Company, Debit Authority Letter with undertaking to fund losses or provide funds to the Company in case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

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 Consolidated 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(viii), 24 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	95,319,369	124,384,103
-- Statutory Liabilities	16,445,924	12,093,323
	<u>418,588,223</u>	<u>410,533,083</u>
11. SHORT TERM PROVISIONS		
Provision for Employee Benefits [Refer Notes 2(vii), 24 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
Provision for Tax	15,471	16,976
	<u>9,527,931</u>	<u>3,977,204</u>



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

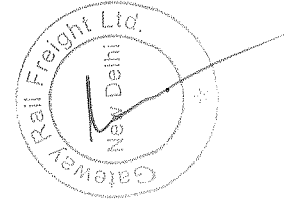
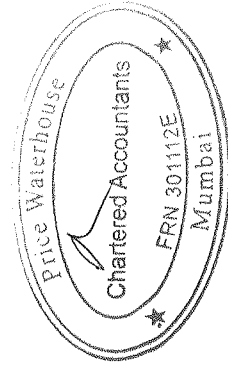
12. TANGIBLE ASSETS [Refer Notes 2(iii), 2(iv) and 2(v)]

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2015	Additions during the year	Disposals during the year	As at April 1, 2015	For the year	(Disposals)/ 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	-	-	2,872,426,315	2,128,963,432
Buildings	1,878,939,660	136,782,344	-	2,017,722,004	75,964,126	-	1,674,026,717	1,611,208,299
Railway Sidings [Refer Note 12(b)]	540,303,660	1,106,175	-	541,409,835	93,958,527	-	407,451,308	446,344,471
Plant and Machinery	20,367,469	191,471	-	20,558,940	3,068,197	-	16,137,713	17,299,272
Other Equipments [Refer Notes 12(c) and 12(e)]	384,318,558	99,761,795	17,243,306	491,044,250	139,976,887	10,479,409	309,131,712	244,561,671
Office Equipments	1,663,325	29,042,342	-	30,705,667	15,922,386	-	8,380,265	13,119,955
Computers	76,417,105	6,962,001	-	83,379,106	44,925,105	-	25,468,466	31,492,000
Furniture and Fittings	108,495,072	13,448,902	-	121,943,974	29,054,594	-	80,865,334	79,440,478
Leasehold Improvements	7,263,352	-	-	7,263,352	567,749	-	65,996,178	80,567,052
Motor Vehicles [Refer Note 12(d)]	558,997,696	-	-	558,997,696	478,430,641	-	85,965,145	117,412,867
Rolling Stocks- Containers and Reefer Power Packs	2,670,645,989	59,365,411	-	2,730,011,400	150,292,938	-	1,650,146,791	1,796,626,339
Rolling Stocks- Rakes & Brake Van	145,014,032	2,878,250	-	147,892,282	33,822,926	-	97,836,043	111,191,106
Electrical Installations and Equipment	-	-	-	-	-	-	-	-
Total	8,816,663,510	1,067,622,757	17,243,306	9,891,050,164	472,096,754	10,479,409	7,293,544,004	6,680,774,695

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2014	Additions during the year	Disposals during the year	As at April 1, 2014	For the year	(Disposals)/ Adjustments during the year	As at March 31, 2015	As at March 31, 2014
Freehold Land [Refer Note 12(a)]	1,843,438,529	-	-	1,878,939,660	-	-	1,843,438,529	1,843,438,529
Buildings	1,771,340,077	107,589,583	-	1,878,929,660	66,376,646	-	1,611,208,299	1,574,490,970
Railway Sidings [Refer Note 12(b)]	283,238,197	257,064,801	-	540,303,998	35,775,912	-	446,344,471	225,053,582
Plant and Machinery	12,273,784	8,093,685	-	20,367,469	1,633,162	-	17,299,272	10,688,749
Other Equipments [Refer Notes 12(c) and 12(e)]	405,864,353	24,060,961	(30,322,304)	384,518,558	47,203,286	(15,181,438)	244,561,671	298,005,314
Office Equipments	25,539,637	3,526,625	-	29,042,342	10,955,039	-	13,119,956	19,920,642
Computers	64,915,343	11,501,762	-	76,417,105	5,618,945	1,346,432	31,492,000	37,680,196
Furniture and Fittings	87,939,912	20,555,160	-	108,495,072	15,094,116	2,595,842	79,440,478	66,217,212
Leasehold Improvements	5,441,565	1,821,787	-	7,263,352	1,254,038	-	567,749	-
Motor Vehicles [Refer Note 12(d)]	476,543,357	84,357,239	-	558,997,696	469,101,141	(893,013)	80,567,052	7,442,216
Rolling Stocks- Containers and Reefer Power Packs	2,629,603,320	4,745,485	-	2,670,645,989	10,272,513	-	117,412,867	144,097,142
Rolling Stocks- Rakes & Brake Van	128,624,869	16,389,163	-	145,014,032	31,429,760	-	1,796,626,339	2,004,563,164
Electrical Installations and Equipment	-	-	-	-	205,936,825	-	111,191,106	-
Total	8,038,865,932	825,231,154	(30,322,304)	8,816,663,510	449,039,463	(7,636,579)	6,680,774,695	6,344,380,001

Notes:

- Land situated at Asoli 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. Previous Year: Rs. 309,815,277) and having Net Book Value Rs. 255,398,031 (Previous Year: Rs. 185,076,259).
- Other Equipments include Reach Stackers costing Rs. 409,604,922 (Previous Year: Rs. 409,604,922) and having Net Book Value Rs. 409,604,922 (Previous Year: Rs. 409,604,922).
- Motor Vehicles include Trailers costing Rs. 555,762,011 (Previous Year: Rs. 555,762,011) 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 translation 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)



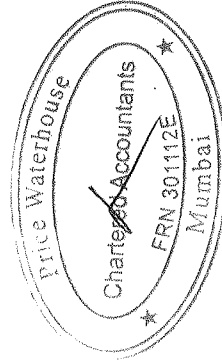
GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended March 31, 2016

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

Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As at April 1, 2015	Additions during the year	Disposals during the year	As at April 1, 2015	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	-	-	195,833,333	25,000,000	-	279,166,667	304,166,667
PFT License Fees [Refer Note 13(b)]	-	20,000,000	-	-	666,667	-	19,333,333	-
Technical Know-How	100,000,000	-	-	100,000,000	-	-	-	-
Computer Software	3,365,127	-	-	2,019,075	673,025	-	673,027	1,346,052
Total	603,365,127	20,000,000	-	297,852,408	26,339,692	-	299,173,027	305,512,719
Particulars								
	As at April 1, 2014	Additions during the year	Disposals during the year	As at April 1, 2014	For the year	(Disposals)/ Adjustments during the year	As at March 31, 2015	As at March 31, 2014
Intangible Assets (Acquired) :								
Rail License Fees [Refer Note 13(a)]	500,000,000	-	-	170,833,333	25,000,000	-	304,166,667	329,166,667
PFT License Fees [Refer Note 13(b)]	-	-	-	100,000,000	-	-	100,000,000	-
Technical Know-How	100,000,000	-	-	1,346,050	673,025	-	1,346,052	2,019,077
Computer Software	3,365,127	-	-	-	-	-	-	-
Total	603,365,127	-	-	272,179,383	25,673,025	-	305,512,720	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 Consolidated Financial Statements for the year ended March 31, 2016

14. LONG TERM LOANS AND ADVANCES

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

Capital Advances		
Considered Good	74,089,340	91,373,926
Considered Doubtful	<u>1,025,591</u>	<u>1,025,591</u>
	75,114,931	92,399,517
Less: Provision for Doubtful Advances	<u>1,025,591</u>	<u>1,025,591</u>
	74,089,340	91,373,926
Security Deposits		
Considered Good	33,007,464	33,047,444
Considered Doubtful	<u>200,000</u>	<u>200,000</u>
	33,207,464	33,247,444
Less: Provision for Doubtful Deposits	<u>200,000</u>	<u>200,000</u>
	33,007,464	33,047,444
Advances Recoverable in Cash or in Kind or for Value to be Received		
Considered Good	-	662,530
Considered Doubtful	<u>5,050,828</u>	<u>7,861,997</u>
	5,050,828	8,524,527
Less: Provision for Doubtful Advances	<u>5,050,828</u>	<u>7,861,997</u>
	-	662,530
Tax Deducted at Source and Advance Tax [Net of Provision for Tax Rs. 741,996,236 (Previous Year: Rs. 430,388,161)]	41,639,474	24,809,668
Minimum Alternate Tax Credit Entitlement [Refer Note 14(a)]	-	277,863,238
	<u>148,736,278</u>	<u>427,756,806</u>

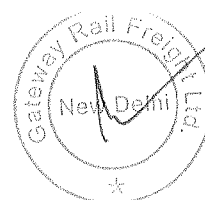
Note (a)

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.

15. 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]	33,667,594	2,951,249
Accrued Ground Rent		
-- Considered Good	-	-
-- Considered Doubtful	<u>11,818,700</u>	<u>9,592,350</u>
	11,818,700	9,592,350
Less: Provision for Doubtful Ground Rent	<u>11,818,700</u>	<u>9,592,350</u>
	-	-
Preliminary Expenses (to the extent not written off)	52,672	52,672
Pre-Operative Expenses	642,961	606,629
	<u>34,363,227</u>	<u>3,610,550</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 Consolidated Financial Statements for the year ended March 31, 2016

16. CURRENT INVESTMENTS
 [Refer Note 2(vii)]

	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	-

17. 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

18. CASH AND BANK BALANCES

Cash and Cash Equivalents		
Cash on Hand	461,956	1,275,014
Balances with Banks:-		
Current Account	76,869,228	77,270,346
Bank Deposits with maturity of period less than 3 months [Refer Note (a) below]	-	-
	77,331,184	78,545,360
Other Bank Balances		
Current maturities of fixed deposit more than 3 months but less than 12 months [Refer Note (a) below]	30,617,802	56,601,293
	30,617,802	56,601,293
	107,948,986	135,146,653

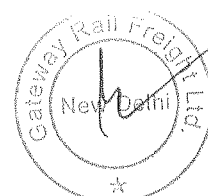
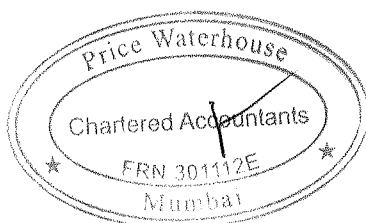
Note (a): Fixed Deposits aggregating Rs. 29,219,395 (Previous year: Rs.52,043,759) are under lien with Banks towards guarantees and Letter of Credit issued by them.

19. 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

20. OTHER CURRENT ASSETS

Interest Accrued but not due on Fixed Deposits with Banks	1,505,102	5,523,147
Accrued Ground Rent	1,572,570	2,073,900
Unbilled Revenue	18,456,047	7,609,118
	21,533,719	15,206,165



GATEWAY RAIL FREIGHT LIMITED

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

21. REVENUE FROM OPERATIONS

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
Operating Income [Refer Note 2(ix)]		
-- 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
	<u>7,304,115,998</u>	<u>6,913,199,597</u>

22 OTHER INCOME

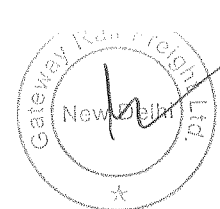
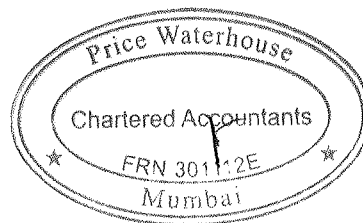
Interest Income		
- Interest on Fixed Deposit with Banks - Gross	5,573,549	6,610,666
- Interest on Income Tax Refund	-	4,776,080
Profit on sale of Fixed Assets	3,876,342	1,351,859
Dividend Income on Current Investment	53,398,630	17,956,809
Gain on Sale of Current Investment	1,451,556	32,486,430
Liabilities/ 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
	<u>119,191,266</u>	<u>78,134,818</u>

23. 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
	<u>5,217,969,346</u>	<u>4,659,376,823</u>

24. EMPLOYEE BENEFITS EXPENSES

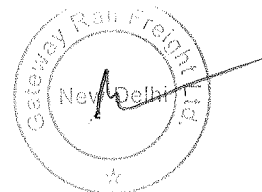
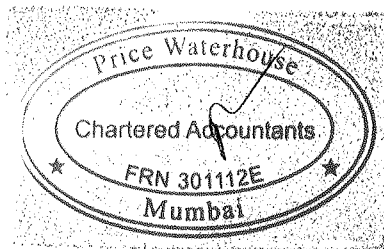
Salaries, Allowances and Bonus	199,501,320	152,192,495
Contribution to Provident and Other Funds [Refer Note 38]	9,696,479	8,423,568
Compensated Absences	1,629,859	11,181,331
Gratuity [Refer Note 38]	1,063,333	5,232,519
Staff Welfare	5,908,448	5,776,080
	<u>217,799,439</u>	<u>182,805,993</u>



GATEWAY RAIL FREIGHT LIMITED

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

	Year ended March 31, 2016 Rupees	Year ended March 31, 2015 Rupees
25. 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
26. 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
27. 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 the Consolidated Financial Statements for the year ended March 31, 2016

28. Net Assets and Profit or loss of Parent, Subsidiaries and Minority Interest

	Name of the entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
		As % of Consolidated Net Assets	Rs.	As % of Consolidated Profit	Rs.
a	Parent				
	Gateway Rail Freight Limited	99.99%	8,291,370,840	100.00%	606,839,619
b	Indian Subsidiaries				
	Container Gateway Ltd	0.01%	1,000,000		
c	Minority Interests in all subsidiaries	0.01%	490,030		
d	Adjustments on Consolidation		(272,572)		
	Net Total	100.00%	8,292,588,298	100.00%	606,839,619

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

The Company's Subsidiary Container Gateway Limited has entered into a lease deed on 07.12.2007 with Gateway Distriparks Ltd. to take on lease some land and buildings at village Wazirpur at monthly rental of Rs.38,61,000/- but no action thereafter has been taken in this regard and this lease deed remained unregistered since then. Therefore, no liability on this account has been considered in the accounts.

- 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'.

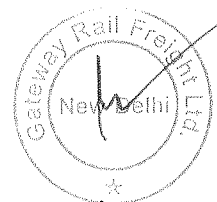
32. Segment Reporting:

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 the Consolidated 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 Distribarko Limited (GDL)

(ii) Subsidiary Company - Container Gateway Limited (CGL)

(iii) Fellow Subsidiary Companies

Gateway East India Private Limited
Gateway Demports (Kerala) Limited
Chandora CFS and Terminal Operators Private Limited

(iv) Entities in which enterprise have significant influence or entity in which directors are interested

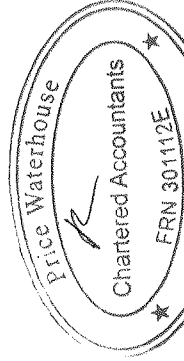
Newsprint Trading and Sales Corporation (NTSC)
Prism International Private Limited
Perfect Communications Private Limited

(v) Key Management Personnel

Mr. Prem Kishan Gupta (Chairman and Managing Director)
Mr. Ishaan Gupta (Director)
Mr. Samwid Gupta (Director)
Mrs. Mamta Gupta (Director)
Mr. Sachin Bhanushali (Chief Executive Officer)

(Rupees)

Sr. No.	Particulars	Holding Company (GDL)		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
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	Rent/Leasing 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	-	-	104,067	13,892	-	-	104,067	13,892
6	Remuneration	-	-	-	-	-	-	-	-
7	Mr. Sachin Bhanushali 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. Samwid 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. Samwid Gupta	-	-	-	-	1,000,000	-	1,000,000	-
	Mrs. Mamta Gupta	-	-	-	-	1,000,000	-	1,000,000	-
		749,000,000	16,788,480	2,899,967	3,511,008	46,187,840	14,281,330	798,087,807	34,560,818
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	Commission Payable to	-	-	-	-	-	-	-	-
(a)	Mr. Prem Kishan Gupta	-	-	-	-	20,250,000	-	20,250,000	-
(b)	Mr. Ishaan Gupta	-	-	-	-	900,000	-	900,000	-
(c)	Mr. Samwid Gupta	-	-	-	-	900,000	-	900,000	-
(d)	Mrs. Mamta Gupta	-	-	-	-	900,000	-	900,000	-
		3,131,000,000	3,131,000,000	-	-	22,950,000	-	3,153,950,000	3,131,000,000



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated 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

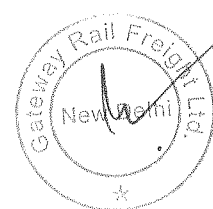
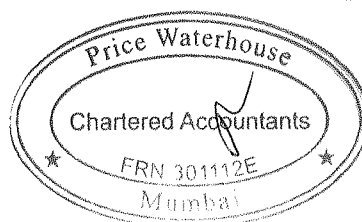
36. CIF Value of Imports:

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 the Consolidated 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

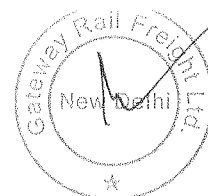
(iii) Amount recognised in the Balance Sheet

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 "24")



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated 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	Foreign Currency Amount March 31, 2015	
				Foreign Currency Amount March 31, 2015	Amount (In Rupees) March 31, 2015
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	Rs.	
		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

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: April 26, 2016