

# GATEWAY EAST INDIA PRIVATE LIMITED

## DIRECTORS' REPORT

The Directors have pleasure in presenting their report along with the accounts for the year ended 31<sup>st</sup> March 2018.

### A. Financial Results:

Sl. No	Particulars	2017-18 (Rs lakhs)	2016-17 (Rs lakhs)
1	Income from Operations and Other Income	4,784.56	5,388.61
2	Profit before Interest, Depreciation and taxes	1,621.78	2,228.91
3	Finance cost	94.04	38.76
4	Depreciation	253.86	248.42
5	Profit before Exceptional items & taxation	1,273.88	1,941.73
6	Provision for tax including MAT credit	7.29	(15.07)
7	Profit after tax	1,266.59	1,956.80
8	Other Comprehensive Income	0.65	2.19
9	Total Comprehensive income for the year	1,267.24	1,958.99

### B. Dividend

The Company has declared an Interim dividend totaling Rs. 20 per equity share amounting to Rs.1,600 lakhs for the financial year 2017-18. The Company does not recommend Final Dividend for the financial year 2017-18.

### **C. Operations during the year & prospects**

During the year, your company achieved throughput of 55,175 TEUs (F.Y 2016-17: 65,807 TEUs). Your Company recorded total income of Rs. 4,784.56 lakhs in the current year (FY 2016-17: Rs. 5,388.61 lakhs) and a profit after tax of Rs. 1,266.59 lakhs (FY 2016-17: Rs 1,956.80 lakhs)

### **D. Directors**

Mr. Ishaan Gupta, Director retires by rotation and being eligible, offers himself for re-appointment. Your Directors recommend the re-appointment of Mr. Ishaan Gupta.

### **E. AUDITORS**

S. R. Batliboi & Co. LLP, Firm Registration No.301003E / E300005, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting 2022, subject to annual ratification at each Annual General Meeting. The Company has received letter from M/s. S. R. Batliboi & Co. LLP, Firm Registration No.301003E / E300005, Chartered Accountants, confirming that their appointment would be within the limits prescribed under Sections 139(2) and 141 of the Companies Act, 2013.

### **F. STATUTORY INFORMATION**

#### **Extracts of Annual Return under Section 92(3)**

Particulars of Annual Report under Section 92 (3) of the Companies Act, 2013 are given in the Form MGT-9, which is annexed to this Report as Annexure A.

#### **Number of meetings of the Board of Directors**

During FY 2017-18, 4 meetings of the Board of Directors were held on 18 May 2017, 11 August 2017, 9 November 2017 and 14 February 2018

#### **Internal control system**

The Company makes use of IT enabled solutions in its operations, accounting and for communication within its facilities and with customers and vendors. Financial and Operating guidelines are put in place to regulate the internal management. Pursuant to Companies (Accounts) Rules, 2014, a control assurance program including internal financial controls (IFC)

has been implemented and tested during the year. The control framework had integrated components including control environment, risk assessment, control activity, information and communication and monitoring. The controls were documented, assessed, tested and found satisfactory. The evaluation was carried out under guidance of Dy. CEO & Chief Finance Officer. The Company's accounts and operations are subject to review by the Board of Directors.

#### **Information under Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:**

There were no employees who were paid remuneration above the prescribed limits.

#### **Directors' Responsibility Statement**

Pursuant to the requirements of Section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- i. in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. such accounting policies as mentioned in Note 1 of the Annual Accounts have been applied consistently and judgments and estimates that are reasonable and prudent made, so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March 2018 and of the profit of the Company for that period.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts for the year ended 31st March 2018 have been prepared on a going concern basis.
- v. the internal financial controls followed by the Company are adequate and operating effectively.
- vi. proper systems to ensure compliance with the provisions of all applicable laws are devised and such systems are adequate and operating effectively.

#### **Declaration by Independent Directors**

Independent Directors have given declarations that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013.

#### **Audit Reports**

There are no qualifications, reservations or adverse remarks or disclaimers in the Auditors report.

## **Particulars of loans, guarantees or investments: NIL**

### **Particulars of contracts or arrangements with related parties :**

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 are given in Form AOC-2, which is annexed to this Report as Annexure B.

### **Corporate Social Responsibility (CSR)**

Particulars of Corporate Social Responsibility (CSR) activities are given in the Form, which is annexed to this Report as Annexure C.

### **Risk Management Policy**

The Board of Directors has put in place a Risk Management policy for the Company, which includes business risks, market risks, event risks and IT / financial/ interest rate / liquidity, risks and the structure, infrastructure, processes, awareness and risk assessment / minimization procedures. The elements of the risk, which in severe form can threaten Company's existence, have been identified by the Board of Directors.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. A committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any sexual harassment complaints during the year.

### **Conservation of Energy**

The Company continues to give the highest priority for conservation of energy by using a mix of technology changes, process optimization methods and other conventional methods, on an on going basis.

### **Foreign Exchange Earnings and Outgo**

i) Expenditure in foreign currency: Rs. 35.60 lakhs (2016-17: Rs. 36 lakhs)  
(including Capital items)

ii) Earnings in foreign currency : Nil

## **Technology Absorption**

The Company continues to lay emphasis on development and innovation of in-house technological and technical skills to meet the specific customer requirements. Efforts are also being made to upgrade the existing standards and to keep pace with the advances in technological innovations.

**For and on behalf of the Board**

Place: New Delhi  
Date: 16 May 2018

**Sd/-**  
**Prem Kishan Dass Gupta**  
Chairman  
DIN: 00011670

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U51909AP1994PTC017523
2.	Registration Date	11 MAY 1994
3.	Name of the Company	GATEWAY EAST INDIA PRIVATE LIMITED
4.	Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	CONTAINER FREIGHT STATION, VPT-EXIM PARK, OPPOSITE GAIL, SHEELA NAGAR, VISAKHAPATNAM, ANDHRA PRADESH - 530012 PH: +:91 891 3075500 Fax: +91 891 3075504
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>N.A.</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Storage and warehousing n.e.c.[Includes general merchandise warehouses and warehousing of furniture, automobiles, gas and oil, chemicals, textiles etc. Also included is storage of goods in foreign trade zones]	52109	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

S N	Name and address of the Company	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable section
1	Gateway Distriparks Limited	L74899MH1994PLC164024	Holding	100%	2 (46)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	-	10	10	0	-	10	10	0	(0)
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	7,999,990	7,999,990	100%	-	7,999,990	7,999,990	100%	
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	
<b>Sub Total (A)(1)</b>	<b>-</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>100%</b>	<b>-</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>100%</b>	<b>(0)</b>
(1) <b>Foreign</b>	-	-	-	-	-	-	-	-	
a) NRI Individuals	-	-	-	-	-	-	-	-	
b) Other -Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	
a) Banks/FI	-	-	-	-	-	-	-	-	
b) Any other	-	-	-	-	-	-	-	-	
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total shareholding of Promoter (A)</b>	<b>-</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>100%</b>	<b>-</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>100%</b>	<b>(0)</b>
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	
a) Mutual Funds	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	
c) Central Govt	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Cos.	-	-	-	-	-	-	-	-	
g) FIs	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>2. Non-Institutions</b>	-		-	-	-	-	-	-	
a) Bodies Corp.	-	-	-	-	-	-	-	-	
i) Indian	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	
c) Others (specify)	-	-	-	-	-	-	-	-	
Independent Directors	-	-	-	-	-	-	-	-	
Non Resident Indians	-	-	-	-	-	-	-	-	
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	
Clearing Members	-	-	-	-	-	-	-	-	
Trusts	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	-	<b>8,000,000</b>	<b>8,000,000</b>	<b>100%</b>	-	<b>8,000,000</b>	<b>8,000,000</b>	<b>100%</b>	<b>(0)</b>



B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gateway Distriparks Limited	7,999,990	100%	0	7,999,990	100%	0	0
2	Prem Kishan Dass Gupta jointly with Gateway Distriparks Limited	10	0	0	10	0	0	0

C) Change in Promoters' Shareholding :

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gateway Distriparks Ltd.				
	At the beginning of the year	7,999,990	100%	7,999,990	100%
	Increase / Decrease in Promoters Shareholding during the year:	-	0	-	
	At the end of the year			7,999,990	100%
2	Prem Kishan Dass Gupta				
	At the beginning of the year	10	0	10	0
	Increase / Decrease in Promoters Shareholding during the year:	-	0	10	0
	At the end of the year	10	0	10	0

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	NIL				

### E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Prem Kishan Dass Gupta				
	At the beginning of the year	10	0	10	0
	Transactions (purchase / sale) during the year	0	0	0	0
	At the end of the year	10	0	10	0
2	Shabbir H Hassanbhai				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	Ishaan Gupta				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	Veena A Nair				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) during the year	-	-	-	-
	At the end of the year	-	-	-	-

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

Rs. Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	856.43	-	-	856.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.56	-	-	1.56
<b>Total (i+ii+iii)</b>	<b>857.99</b>	-	-	<b>857.99</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition		-	-	
* Reduction	(261.72)	-	-	(261.72)
<b>Net Change</b>		-	-	
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	594.84	-	-	594.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.43	-	-	1.43
<b>Total (i+ii+iii)</b>	<b>596.27</b>	-	-	<b>596.27</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD	Total Amount
	NIL		

### B. Remuneration to other directors –

Rs. lakhs

SN.	Particulars of Remuneration	Name of Director			Total Amount
		Mr. Prem Kishan Dass Gupta	Mr. Shabbir Hassanbhai	Mr. Ishaan Gupta	
1	Fee for attending Board / Committee meeting	0.80	0.60	0.80	2.20
2	Commission	0	35.00	0	35.00
3	Others, please specify	0	0	0	0
	Total (A)	0.80	35.60	0.80	37.20
	Ceiling as per the Act				<b>40.00</b>

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD – NIL

SN.	Particulars of Remuneration	Key Managerial Personnel Veena Nair (Company Secretary)	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...		
5	Others, please specify (Sitting Fees)	-	-
	Total (A)	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis	Not Applicable
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	
2. Details of material contracts or arrangement or transactions at arm's length basis	
(a) Name(s) of the related party and nature of relationship	Gateway Distriparks Limited, Holding Company
(b) Nature of contracts/arrangements/transactions	Interim Dividend for FY 2017-18 paid
(c) Duration of the contracts / arrangements/transactions	Interim Dividend paid for FY 2017-18
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	I Interim Dividend paid : Rs. 4.80 crores II Interim Dividend paid : Rs. 3.20 crores III Interim Dividend paid : Rs. 8 crores
(e) Date(s) of approval by the Board, if any:	18 May 2017 9 Nov 2017 16 May 2018
(f) Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors  
of Gateway East India Private Limited

sd/-

**Prem Kishan Dass Gupta**

Chairman

DIN: 00011670

Place: New Delhi

Date: 16 May 2018

## CORPORATE SOCIAL RESPONSIBILITY

**1. Brief Outline of CSR Policy:** Your Company believes being part of the community where it operates its businesses and making a significant and sustainable contribution which makes a meaningful difference to the community. The vision is to contribute to the social and economic development of the community where we operate. The CSR activities are guided by the provisions and rules under the Companies Act 2013. The Company will undertake projects / activities that are approved under Schedule VII of the Companies Act 2013, as amended from time to time. All projects will be identified in a participatory manner, in consultation with the community by constantly engaging with them. Social organizations which have invested effort, time and dedication in identifying projects, will be consulted. To optimize the results which can be achieved from limited resources, a time frame, budget and action plan will be set, with which significant results can be achieved in a time bound manner. Collaborating with like minded people, organizations and various business associations which run programs for the benefit of the community through CSR activities will also be done to optimize results.

2. The CSR Committee of the Board consists of Mr. Prem Kishan Dass Gupta (Chairman) and Mr. Shabbir Hassanbhai (Independent Director).

3. Average Net Profit of the Company for the last three years is Rs. 199,788,194

4. Prescribed CSR Expenditure (2% of amount in item 3 above) is Rs. 3,995,764

5. Details of CSR to be spent for the financial year 2017-18:

(a) Total Amount to be spent for the financial year 2017-18: Rs. 4,000,000

(b) Amount unspent: Nil

(c) Manner in which the amount was spent during FY 2017-18 is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period FY 2016-17	Amount spent Direct or through implementing agency
1	Contribution to Prime Minister's Funds	Contribution to Prime Minister's National Relief Fund	The resources of the Prime Minister's National Relief Fund are utilized to render immediate relief to families of	Rs. 11,00,000	Rs. 11,00,000	Rs. 11,00,000	Contribution to Prime Minister's National Relief Fund Rs. 11,00,000

			those killed in natural calamities like floods, cyclones and earthquakes, etc. and to the victims of the major accidents and riots. Assistance from PMNRF is also rendered, to partially defray the expenses for medical treatment like heart surgeries, kidney transplantation, cancer treatment, etc. The fund consists entirely of public contributions.				
2.	Bana Development Foundation	Education of poor and weaker section children	Bana Development Foundation supports the education of poor and weaker section children. Their activities include providing scholarships to all the girl students, built-up toilets, Levelled school play ground, provided banches to students, books etc.	Rs.29,00,000	Rs. 29,00,000	Rs. 29,00,000	Amount spent through Bana Development Foundation Rs. 29,00,000.

6. The Company has spent 2% of the average net profit for the last financial 3 years on CSR activities during financial year 2017-18.

7. Responsibility statement of CSR Committee:

On behalf of the CSR Committee of the Board of Directors of Gateway East India Private Limited, I confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-

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Mr. Prem Kishan Dass Gupta  
Chairman



**INDEPENDENT AUDITOR'S REPORT**

To the Members of Gateway East India Private Limited

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Gateway East India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Other Matter**

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 18, 2017.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's 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 Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 26 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Vishal Sharma**

Partner

Membership Number: 96766

Place of Signature: Gurugram

Date: May 16, 2018



**Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date**

Re: Gateway East India Private Limited ('the Company')

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
  - c. According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii.
  - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.





# S.R. BATLIBOI & CO. LLP

Chartered Accountants

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise are not applicable to the Company.
- c. According to the records of the Company, the dues of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	13.00	Assessment Year 2011-2012	High Court, Hyderabad,
Income Tax Act, 1961	Income Tax	73.15	Assessment Year 2012-2013	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	274.19	Assessment Year 2013-2014	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	270.76	Assessment Year 2015-2016	Commissioner of Income Tax (Appeals)

According to information and explanation given to us, there are no dues of duty of customs, income tax, value added tax, goods and service tax and cess which have not been deposited on account of any dispute. The provisions of relating to duty of excise are not applicable to the Company.

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.

Based on the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments.

- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Vishal Sharma**

Partner

Membership Number: 96766

Place of Signature: Gurugram

Date: May 16, 2018



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GATEWAY EAST INDIA PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Gateway East India Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial with reference to these financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these



financial statements, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at





# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



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per **Vishal Sharma**

Partner

Membership Number: 96766

Place of Signature: Gurugram

Date: May 16, 2018



GATEWAY EAST INDIA PRIVATE LIMITED  
Balance sheet as at 31 March 2018  
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017 (Restated)
<b>ASSETS</b>			
<u>Non-current assets</u>			
Property, plant and equipment	3	1,985.56	1,777.82
Capital work-in-progress	3	47.20	183.01
Other intangible assets	4	16.89	25.57
Financial assets			
i. Other financial assets	5(d)	42.50	39.04
Deferred tax assets (net)	7	2,347.70	2,074.39
Current tax assets (net)	8	125.60	64.32
Other non-current assets	6	123.18	125.64
<b>Total non-current assets</b>		<b>4,688.64</b>	<b>4,289.79</b>
<u>Current assets</u>			
Financial assets			
i. Trade receivables	5(a)	1,290.34	1,477.16
ii. Cash and cash equivalents	5(b)	0.37	0.58
iii. Bank balances other than (ii) above	5(c)	3.25	-
iv. Other financial assets	5(d)	26.88	62.46
Other current assets	6	51.50	86.86
<b>Total current assets</b>		<b>1,372.34</b>	<b>1,627.05</b>
<b>Total assets</b>		<b>6,060.98</b>	<b>5,916.85</b>
<b>EQUITY AND LIABILITIES</b>			
<u>Equity</u>			
Equity share capital	9(a)	800.00	800.00
<u>Other equity</u>			
Reserves and Surplus	9(b)	4,405.89	4,101.49
<b>Total equity</b>		<b>5,205.89</b>	<b>4,901.49</b>
<u>LIABILITIES</u>			
<u>Non-current liabilities</u>			
Financial liabilities			
i. Borrowings	10(a)	206.00	296.13
Employee Benefit Obligations	11	11.31	10.41
<b>Total non-current liabilities</b>		<b>217.31</b>	<b>306.54</b>
<u>Current liabilities</u>			
Financial liabilities			
i. Borrowings	10(b)	300.27	481.49
ii. Trade payables	10(c)	97.71	21.86
iii. Other financial liabilities	10(d)	155.27	127.63
Employee Benefit Obligations	11	32.06	34.51
Other current liabilities	12	52.47	43.33
<b>Total current liabilities</b>		<b>637.79</b>	<b>708.81</b>
<b>Total liabilities</b>		<b>855.09</b>	<b>1,015.35</b>
<b>Total equities and liabilities</b>		<b>6,060.98</b>	<b>5,916.85</b>

The above balance sheet should be read in conjunction with the accompanying notes.  
in terms of our report of even date.

For S.R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

per Vishal Sharma  
Partner  
Membership No.: 96766



For and on behalf of the Board of Directors of  
Gateway East India Private Limited

Prem Kishan Dass Gupta  
Chairman  
DIN: 00011670

R. Kussar  
Chief Financial Officer

Shabbir Hassanbhal  
Director  
DIN: 00268133

Veena Nair  
Company Secretary

Place: New Delhi  
Date: May 16 2018

Place: New Delhi  
Date: May 16 2018

GATEWAY EAST INDIA PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2018	Year ended 31 March, 2017 (Restated)
Revenue from operations	13	4,763.96	5,321.58
Other income	14	20.60	67.03
<b>Total Income</b>		<b>4,784.56</b>	<b>5,388.61</b>
<b>Expenses</b>			
Operating expenses	15	2,381.76	2,433.82
Employee benefit expense	16	102.11	105.75
Depreciation and amortisation expense	17	253.86	248.42
Other expenses	18	678.92	620.13
Finance costs	19	94.04	38.76
<b>Total expenses</b>		<b>3,510.68</b>	<b>3,446.88</b>
<b>Profit before exceptional items and tax</b>		<b>1,273.88</b>	<b>1,941.73</b>
<b>Exceptional items</b>			
<b>Profit before tax</b>		<b>1,273.88</b>	<b>1,941.73</b>
Income tax expense	20		
-Current tax		280.60	405.32
-Deferred tax		(273.31)	(420.39)
<b>Total tax expense</b>		<b>7.29</b>	<b>(15.07)</b>
<b>Profit for the year</b>		<b>1,266.59</b>	<b>1,956.80</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	11	0.65	2.19
<b>Other comprehensive income for the year, net of tax</b>		<b>0.65</b>	<b>2.19</b>
<b>Total comprehensive income for the year</b>		<b>1,267.24</b>	<b>1,958.99</b>
<b>Earnings per equity share for profit from continuing operation attributable to owners of Gateway East India Private Limited</b>			
Basic earnings per share	29	15.83	24.46
Diluted earnings per share	29	15.83	24.46

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.  
In terms of our report of even date.

For S.R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

per Vishal Sharma  
Partner  
Membership No.: 96766



For and on behalf of the Board of Directors of  
Gateway East India Private Limited

Prem Kishan Dass Gupta  
Chairman  
DIN: 00011670

R. Kumar  
Chief Financial Officer

Shabbir Hassanbhai  
Director  
DIN: 00268133

Veena Nair  
Company Secretary

Place: New Delhi  
Date: May 16 2018

Place: New Delhi  
Date: May 16 2018

GATEWAY EAST INDIA PRIVATE LIMITED  
Statement of Cash Flow for the year ended 31 March 2018  
(All amounts in INR lakhs, unless otherwise stated)

	Note	Year ended 31 March 2018	Year ended 31 March, 2017
<b>A Cash flow from operating activities</b>			
Profit before income tax		1,273.88	1,941.73
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	17	241.50	240.51
Amortisation of intangible assets	17	12.36	7.91
Increase/(Decrease) in provision for doubtful debts	14	35.19	(37.57)
Write back of provision for doubtful ground rent no longer required (net)	14	-	(4.96)
Interest income	14	(1.90)	(13.60)
Net gain on sale/ disposal of property, plant and equipments	14	(13.00)	-
Finance costs	19	94.04	38.76
Change in operating assets and liabilities			
(Increase)/decrease in trade receivables		151.62	(336.98)
(Increase)/decrease in other financial assets		32.33	(92.86)
(Increase)/decrease in other assets		37.83	(151.14)
Increase/(decrease) in trade payables		75.86	(9.68)
Increase/(decrease) in other current liabilities		9.14	20.77
Increase/(decrease) in other financial liabilities		-	-
Increase/(decrease) in employee benefit obligation		(0.90)	0.09
Cash generated from operations		1,947.95	1,602.98
Income taxes paid	8	(341.88)	(393.38)
<b>Net cash inflow from operating activities</b>		<b>1,606.07</b>	<b>1,209.60</b>
<b>B Cash flow from investing activities:</b>			
Purchase of property, plant and equipment and Intangibles		(299.12)	(458.74)
Sale of property, plant and equipment		13.00	-
Fixed Deposit Matured/(Deposited)		(3.25)	50.00
Interest received		1.47	14.17
<b>Net cash outflow from investing activities</b>		<b>(287.91)</b>	<b>(394.57)</b>
<b>C Cash flow from financing activities</b>			
Proceeds from Long Term borrowings	10(a)	-	231.86
Repayment of long term borrowings	10(a)	(80.38)	(86.71)
Dividend Paid	9(b)	(800.00)	(1,360.00)
Dividend Distribution Tax	9(b)	(162.86)	(276.86)
Interest paid	19	(93.92)	(38.76)
<b>Net cash outflow from financing activities</b>		<b>(1,137.16)</b>	<b>(1,530.46)</b>
Net increase/(decrease) in cash and cash equivalents		181.01	(715.43)
Add: Cash and cash equivalents at the beginning of the financial year	5(b), 10(b)	(480.91)	234.52
Cash and cash equivalents at the end of the year	5(b), 10(b)	(299.90)	(480.91)



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Reconciliation of Cash and Cash Equivalents as per Statement of Cash Flow			
Cash Flow statement as per above comprises of the following		31 March 2018	31 March 2017
Cash and cash equivalents	5(b)	0.37	0.58
Bank overdrafts	10(b)	(300.27)	(481.49)
Balances as per statement of cash flows		(299.90)	(480.91)

The above statement of cash flows should be read in conjunction with the accompanying notes.

For S.R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants

*Vishal Sharma*  
per Vishal Sharma  
Partner  
Membership No.: 96766



For and on behalf of the Board of Directors of  
Gateway East India Private Limited

*Prem Kishan Dass Gupta*  
Prem Kishan Dass Gupta  
Chairman  
DIN: 00011670

*K. Kumar*  
K. Kumar  
Chief Financial Officer

*Shabbir Hassanbhai*  
Shabbir Hassanbhai  
Director  
DIN: 00268133  
*Veena Nair*  
Veena Nair  
Company Secretary

Place: New Delhi  
Date: May 16 2018

Place: New Delhi  
Date: May 16 2018

GATEWAY EAST INDIA PRIVATE LIMITED

Statement of changes in equity

(All amounts in INR lakhs, unless otherwise stated)

Statement of changes in equity

(A) Equity share capital

	Notes	No. of Shares	Amount
As at 1 April 2016		80.00	800.00
Changes in equity share capital	9 (a)	-	-
As at 31 March 2017		80.00	800.00
Changes in equity share capital	9 (a)	-	-
As at 31 March 2018		80.00	800.00

(B) Other equity

	Notes	Reserves and Surplus		Total Other Equity
		Securities premium reserve	Retained earnings	
Balance as at 1 April 2016	9 (b)	400.00	3,379.37	3,779.37
Profit for the year		-	1,956.80	1,956.80
Other Comprehensive Income		-	2.19	2.19
<b>Total comprehensive income for the year</b>		<b>400.00</b>	<b>5,338.36</b>	<b>5,738.36</b>
Dividend paid	9 (b)	-	1,360.00	1,360.00
Dividend Distribution tax paid		-	276.86	276.86
Balance as at 31 March 2017		400.00	3,701.50	4,101.50
Balance as at 1st April 2017	9 (b)	400.00	3,701.50	4,101.50
Profit for the period		-	1,266.59	1,266.59
Other Comprehensive Income		-	0.65	0.65
<b>Total comprehensive income for the year</b>		<b>400.00</b>	<b>4,968.74</b>	<b>5,368.74</b>
Dividend paid	9(b)	-	800.00	800.00
Dividend Distribution tax paid	9(b)	-	162.86	162.86
Balance as at 31 March 2018		400.00	4,005.89	4,405.89

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For S.R. Batliboi & Co. LLP

Firm Registration No.: 301003E/E300005

Chartered Accountants

*Vishal Sharma*  
per Vishal Sharma  
Partner

Membership No.: 96766



For and on behalf of the Board of Directors of

Gateway East India Private Limited

*Prem Kishan*

Prem Kishan Dass Gupta  
Chairman  
DIN: 00011670

*R. Kumar*

R. Kumar  
Chief Financial Officer

*Shabbir Hassanbhai*  
Shabbir Hassanbhai  
Director

DIN: 00268133

*Veena Nair*  
Veena Nair  
Company Secretary

Place: New Delhi

Date: May 16 2018

Place: New Delhi

Date: May 15 2018



## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

### **Background**

Gateway East India Private Limited (the 'Company') is engaged in the business of providing services of Container Freight Station ('CFS'). The CFS is located on the Exim Park, Sheela Nagar, Visakhapatnam. The CFS is about 16 Kms from Visakha Container Terminal Port. CFS provides common user facilities offering services for Container Handling, Transport and Storage of import/ export laden and empty containers and cargo carried under customs control.

The financial statements were authorised for issue in accordance with a resolution of the directors on 16 May 2018.

### **1. SIGNIFICANT ACCOUNTING POLICIES:**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **(a) Basis of Preparation:**

##### **i. Compliance With Ind AS**

The financial statements of the Company have been prepared as a separate set of financial statement in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. (as amended from time to time).

##### **ii. Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial instruments that are measured at fair value;
- Define benefit plan-plan assets measured at fair value; and
- Assets held for sale-measured at lower of carrying value and fair value less cost to sell.

##### **iii. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading.
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

### **(b) Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman and Managing Director of the company. The company has identified one reportable segment "Container Freight Station" i.e. based on the information reviewed by CODM. Refer note 24 for segment information presented.

### **(c) Foreign currency translation:**

#### **i. Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

#### **ii. Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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:

Long Term foreign currency monetary item taken upto 31 March 2016 on depreciable assets:

Foreign exchange difference on account of long term foreign currency loan on a depreciable asset, are adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

Long Term foreign currency monetary item taken after 01 April 2016 on depreciable assets:

• Foreign exchange difference on account of a depreciable assets, are included in the Statement of profit and Loss.

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.

### **(d) Revenue Recognition.**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.





## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the company activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### **Rendering of services**

- (i) Income from Container handling, storage and transportation are recognised on proportionate completion of the movement and delivery of goods to the party/designated place.
- (ii) Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station. However, in case of long standing containers, the income from Ground Rent is not accrued for a period beyond 60 days as on the basis of past history the collectibility is not reasonably assured.
- (iii) Income from auction sales is recognised when the company auctions long-standing cargo that has not been cleared by customs. Revenue and expenses for Auction sales are recognised when auction is completed after obtaining necessary approvals from appropriate authorities. Auction sales include recovery of the cost incurred in conducting auctions, 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 period specified under the Limitations Act is written back as 'Income' in the following financial year.

### **(e) Income Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### **Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the company generate taxable income. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **Deferred tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for the temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.



## **GATEWAY EAST INDIA PRIVATE LIMITED**

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **MAT**

“Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.”

### **(f) Leases:**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

#### **Operating Lease - as a lessee**

Payments made under operating leases (net of any incentive received from the lessor) are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **(g) Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **(h) Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft. Bank overdraft are shown within borrowing in current liabilities in the balance sheet.

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## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

### **(i) Trade Receivables**

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **(j) Investments and other financial assets**

#### **(i) Classification**

The Company classifies financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For the assets measured at fair value, gain and losses will either be recorded in statement of profit and loss or other comprehensive income. For investment in debt instrument, this will depend on the business model in which the investment is held.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

#### **(ii) Measurement**

At initial recognition, the company measures a financial assets at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition to the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are recognised immediately in statement of profit and loss.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

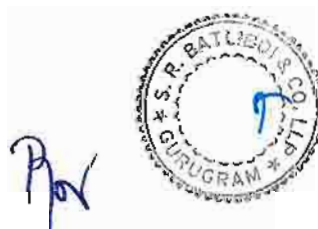
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **Debt Instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.





## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

### **1. Amortised Cost:**

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

### **2. Fair value through other comprehensive Income (FVOCI):**

Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest Income from these financial assets is included in finance income using the effective interest rate method.

### **3. Fair Value through profit or loss (FVPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Dividend income from these financial assets is included in other income.

#### **(iii) Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial assets. The Company measures the ECL associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### **(iv) De-recognition of financial assets**

A financial assets is derecognised only when

- The company has transferred the right to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

When the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



**GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

**(v) Income recognition****(i) Interest:**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate.

**(ii) Dividend:**

Dividend income is recognised when the right to receive dividend is established.

**(k) Financial Liabilities****(i) Classification**

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the Statement of Profit and Loss, and
- those measured at amortised cost

**(ii) Measurement**

1. Financial liabilities at amortised cost- Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.
2. Financial liabilities at fair value through profit and loss- Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

**(iii) Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

The following table shows various reclassification and how they are accounted for:

<b>Original classification</b>	<b>Revised classification</b>	<b>Accounting treatment</b>
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.



## GATEWAY EAST INDIA PRIVATE LIMITED

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

### (l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### (m) Property, Plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and cost can be measured reliably. The carrying amount of any component accounted for as a separate assets is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

### Depreciation methods, estimated useful lives and residual value

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 method at the rates specified under Schedule II to the Companies Act, 2013, except for:

- Reach Stackers and forklifts (included in Other Equipments) are depreciated over a period of ten years, based on the technical evaluation;
- Additions/ construction of Building and Leasehold Improvement is being amortised over the balance period of the lease period;
- Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition/ construction.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

### (n) Intangible Assets

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets of the Company consist of computer software and is amortised under straight line method over a period of three years.

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## **GATEWAY EAST INDIA PRIVATE LIMITED**

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### **(o) Trade and other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

### **(p) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **(q) Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

### **(r) Provisions:**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money.



## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### **(s) Employee Benefits:**

#### **(i) Short term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in Statement of profit and loss in respect of employees service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **(ii) Other long term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

#### **(iii) Post employment obligations**

The Company operates the following post-employment schemes:

1. Defined benefit plans such as gratuity; and
2. Defined contribution plans such as provident fund.

#### **Gratuity Obligations**

The liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflow by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of defined benefit obligations and fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss .

Remeasurement gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

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## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

### **Defined Contribution Plans**

The company pays provident fund contribution to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### **(iv) Bonus Plan**

The company recognise the liability and an expenses for bonus. The company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### **(v) Earnings per Share:**

##### **(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

The Net profit or loss attributable to the owner of the Company by the weighted average number of equity share outstanding during the financial year, adjusted for bonus elements in equity shares.

##### **(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figure used in the determination of basis earnings per share to take into account:

- 1) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- 2) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

##### **(w) Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **(x) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

##### **(z) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset.

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## **GATEWAY EAST INDIA PRIVATE LIMITED**

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but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

### **(aa) Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed separately as Exceptional items.

### **(ac) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### **(ad) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been round off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated

### **(ae) Standards issued but not yet effective**

#### **(i) Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Ind AS 115 is effective for the Company in the first quarter of financial year 2018-19 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company continues to

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## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed. This standard will come into force from accounting period commencing on or after 1 April 2018.

### **(ii) Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10– B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

As at 31 March 2018, there are not entities classified as held for sale and hence these amendment is unlikely to affect the Company's financial statements. The amendment are effective retrospectively for annual periods beginning on or after 1 April 2018.

### **(iii) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company.

### **(iv) Transfers of Investment Property — Amendments to Ind AS 40**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendment is unlikely to have any impact on the Company as the Company does not have any Investment Property.

### **(v) Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

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## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

The amendments clarify that, an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the Company.

### **(vi) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- a) The beginning of the reporting period in which the entity first applies the Appendix, or
- b) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, the amendment is unlikely to have any impact on the Company.

## **2. CRITICAL ESTIMATES AND JUDGEMENTS:**

The Preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

### **– Estimation of Provisions & Contingent Liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 26)

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## **GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Standalone Financial Statements for the year ended March 31, 2018

### **-- Estimated useful life of tangible and intangible assets**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Company's intangible assets. (Refer Note 3 & 4)

### **-- Estimation of defined benefit obligation**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer note 11 for the details of the assumptions used in estimating the defined benefit obligation. (Refer Note 11)

### **-- Impairment of trade receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. (Refer Note 22)

### **-- Estimated fair value of financial instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions (Refer Note 21).

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



**GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of financial statements for the year ended 31st March 2018  
(All amounts in INR lakhs, unless otherwise stated)

**Note 3: Property, plant and equipment**

	Building	Yard Equipments [Refer Note 3(iii)]	Electrical Installations and Equipment	Furniture and fittings	Office Equipments	Computer hardware	Vehicles	Total	Capital work-in- progress [Refer Note 3(ii)]
Deemed Cost									
As at 1. April 2016	1,205.35	716.06	31.19	6.98	5.29	7.66	1.05	1,973.58	-
Additions	32.46	250.03	-	3.96	1.69	1.37	-	289.51	183.01
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 March 2017	1,237.81	966.09	31.19	10.94	6.98	9.03	1.05	2,263.09	183.01
Additions	441.70	0.18	-	1.95	1.93	3.48	-	449.24	57.69
Disposals/Adjustments	-	36.65	-	-	-	-	-	36.65	193.50
As at 31 March 2018	1,679.51	929.62	31.19	12.89	8.91	12.51	1.05	2,675.68	47.20
Depreciation and impairment									
As at 1. April 2016	84.63	136.44	14.96	4.49	1.47	2.63	0.14	244.76	-
Depreciation charge during the year	86.04	146.33	2.18	0.50	1.57	3.76	0.13	240.51	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 March 2017	170.67	282.77	17.14	4.99	3.03	6.39	0.26	485.27	-
Depreciation charge during the year	97.32	132.74	4.78	0.95	1.97	3.61	0.14	241.50	-
Disposals/Adjustments	-	36.65	-	-	-	-	-	36.65	-
As at 31 March 2018	267.99	378.86	21.92	5.94	5.00	10.00	0.40	690.12	-
Net carrying amount as at 31 March 2018	1,411.52	550.77	9.27	6.95	3.91	2.51	0.65	1,985.56	47.20
Net carrying amount as at 31 March 2017	1,067.14	683.32	14.05	5.95	3.95	2.64	0.79	1,777.82	183.01

**NOTES:**

- (i) Contractual obligations - Refer note 27 for disclosure of contractual commitments for estimated amount of contracts remaining to be executed.  
(ii) Capital work-in-progress - Expenditure incurred on development of container yard - INR 47.20 Lakhs ( 31 March 2017- INR 183.01 Lakhs )  
(iii) Yard Equipments includes Reach Stackers having gross carrying amount of INR 887.92 lakhs ( 31 March 2017: INR. 924.57 lakhs) and Net book value of INR. 521.26 lakhs (31 March 2017: INR 649.39 lakhs).  
(iv) Assets pledged as security for borrowings: Refer to note 30 for information on property, plant and equipment hypothecated as security by the company .



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GATEWAY EAST INDIA PRIVATE LIMITED

Notes annexed to and forming part of financial statements for the year ended 31st March 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Other Intangible assets-

	Computer Software (Refer Note below)	Total
<b>Deemed Cost</b>		
As at 1 April 2016	-	-
Additions	33.48	33.48
<b>As at 31 March 2017</b>	<b>33.48</b>	<b>33.48</b>
Additions	3.68	3.68
<b>As at 31 March 2017</b>	<b>37.16</b>	<b>37.16</b>
<b>Amortisation and Impairment</b>		
As at 1 April 2016	-	-
Amortisation charge for the year	7.91	7.91
<b>As at 31 March 2017</b>	<b>7.91</b>	<b>7.91</b>
Amortisation charge for the year	12.36	12.36
<b>As at 31 March 2018</b>	<b>20.27</b>	<b>20.27</b>
<b>Net carrying amount as at 31 March 2018</b>	<b>16.89</b>	<b>16.89</b>
<b>Net carrying amount as at 31 March 2017</b>	<b>25.57</b>	<b>25.57</b>

Significant estimate : useful life of intangible assets

Computer software consists of cost of ERP licenses . Useful life of Computer software is estimated to be 3 years, based on technical obsolescence of such assets.



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## Note 5: Financial assets

## Note 5(a) Trade receivables

	31 March 2018	31 March 2017
Trade receivables	1,326.34	1,522.74
Less: Allowance for doubtful debts	36.00	45.58
<b>Total receivables</b>	<b>1,290.34</b>	<b>1,477.16</b>
Current Portion	1,290.34	1,477.16
Non Current Portion	-	-

## Break-up of securities details

	31 March 2018	31 March 2017
Secured, considered good	-	-
Unsecured, considered good	1,290.34	1,477.16
Doubtful	36.00	45.58
<b>Total</b>	<b>1,326.34</b>	<b>1,522.74</b>
Less: Allowance for doubtful debts	36.00	45.58
<b>Total trade receivables</b>	<b>1,290.34</b>	<b>1,477.16</b>

(a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or Private Companies respectively in which any director is a partner, a director or a member.

(b) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(c) Refer Note 10 for details relating to receivables pledged

## 5(b) Cash and cash equivalents

	31 March 2018	31 March 2017
Balances with banks		
- in current accounts	0.16	0.16
Cash on hand	0.21	0.42
<b>Total cash and cash equivalents</b>	<b>0.37</b>	<b>0.58</b>

## 5(c) Bank balances other than 5 (b) above

	31 March 2018	31 March 2017
Deposits with original maturity of more than 3 months but less than 12 months	3.25	-
<b>Total bank balances other than 5 (b) above</b>	<b>3.25</b>	<b>-</b>

## Note 5(d) Other financial assets

	31 March 2018		31 March 2017	
	Current	Non-Current	Current	Non-current
Security and other deposits	-	42.50	-	39.04
Interest accrued on fixed deposits with banks	0.22	-	-	-
Accrued Ground Rent Net				
- Considered Good	26.66	-	62.46	-
- Considered doubtful	2.04	-	3.07	-
	28.70	-	65.53	-
Less: Provision for Doubtful Ground Rent	2.04	-	3.07	-
	26.66	-	62.46	-
<b>Total other financial assets</b>	<b>26.88</b>	<b>42.50</b>	<b>62.46</b>	<b>39.04</b>

## Note 6: Other assets

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Balance with Government authorities				
-Income tax paid under protest	-	28.00	-	28.00
-Cenvat credit receivable	1.40	-	28.19	-
Advance to suppliers	0.23	-	5.21	-
Prepaid expenses	49.87	95.18	53.46	97.64
<b>Total other current assets</b>	<b>51.50</b>	<b>123.18</b>	<b>86.86</b>	<b>125.64</b>



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**GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of financial statements for the year ended 31st March 2018  
(All amounts in INR lakhs, unless otherwise stated)

**Note 7: Deferred tax assets**

The balance comprises temporary differences attributable to:

	31 March 2018	31 March 2017
<b>Deferred Tax Assets:</b>		
Minimum Alternate Credit Entitlement	2,387.89	2,107.38
<b>Total Deferred Tax Assets:</b>	<b>2,387.89</b>	<b>2,107.38</b>
<b>Deferred Tax Liability:</b>		
Temporary difference between book and tax depreciation	(40.19)	(32.99)
<b>Total Deferred Tax Liabilities:</b>	<b>(40.19)</b>	<b>(32.99)</b>
<b>Net Deferred tax assets/(liabilities)</b>	<b>2,347.70</b>	<b>2,074.39</b>

**Significant estimates**

Pursuant to the changes in the Indian income tax laws in fiscal year 2007, Minimum Alternate Tax ("MAT") has been extended to income in respect of which deduction is claimed under the tax holiday scheme under section 80 IA(4) of the Income Tax Act, 1961 ; consequently, the Company has calculated its tax liability for current tax after considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. On the basis of approved business plans and budgets, the company has concluded that it will have sufficient future taxable income to utilise its MAT credit.

**Movement in deferred tax assets/liabilities [Net]**

Particulars	Total
As At April 1 , 2016	1,654.00
(Charged)/credited	-
-to profit or loss	420.39
-to other comprehensive income	-
<b>As at March 31 , 2017</b>	<b>2,074.39</b>
(Charged)/credited	-
-to profit or loss	273.31
-to other comprehensive income	-
<b>As at March 31 , 2018</b>	<b>2,347.70</b>

**Note 8: Current Tax Assets**

	31 March 2018	31 March 2017
Opening Balance	64.32	76.26
Current Tax Payable for the year	(280.60)	(405.32)
Taxes Paid	341.88	393.38
<b>Closing Balance</b>	<b>125.60</b>	<b>64.32</b>



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**Note 9: Equity share capital and other equity**

**9(a) Equity share capital**

**Authorised equity share capital**

	Number of shares	Amount
As at 31 March 2017- Equity share of INR 10 per share	100.00	1,000.00
As at 31 March 2018 - Equity share of INR 10 per share	100.00	1,000.00

**Issued Subscribed and Paid Up Share Capital**

	Number of shares	Amount
As at 31 March 2017- Equity share of INR 10 per share	80.00	800.00
As at 31 March 2018 - Equity share of INR 10 per share	80.00	800.00

**(i) Movements in equity share capital**

	Number of shares	Equity share capital (par value)
As at 1 April 2016	80.00	800.00
Change during the year	-	-
As at 31 March 2017	80.00	800.00
Change during the year	-	-
As at 31 March 2018	80.00	800.00

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(ii) Shares of the company held by holding/ultimate holding company**

	31 March 2018	31 March 2017
Gateway Distriparks Limited (immediate and ultimate holding company)	80.00	80.00

**(iii) Details of shareholders holding more than 5% shares in the company**

	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Gateway Distriparks Limited	80.00	100%	80.00	100%

**9(b) Reserve and surplus**

	31 March 2018	31 March 2017
Securities premium reserve	400.00	400.00
Retained earnings	4,005.90	3,701.49
<b>Total reserves and surplus</b>	<b>4,405.90</b>	<b>4,101.49</b>

**(i) Securities premium reserve**

	31 March 2018	31 March 2017
Opening balance	400.00	400.00
Proceeds received	-	-
<b>Closing Balance</b>	<b>400.00</b>	<b>400.00</b>

**(ii) Retained earnings**

	31 March 2018	31 March 2017
Opening balance	3,701.49	3,379.37
Profit for the year	1,266.60	1,956.79
<i>Items of other comprehensive income recognised directly in retained earnings:</i>		
- Remeasurements of post-employment benefit obligation	0.65	2.19
Dividend paid	(800.00)	(1,360.00)
Dividend distribution Tax	(162.86)	(276.86)
<b>Closing Balance</b>	<b>4,005.90</b>	<b>3,701.49</b>

**Nature and purpose of other reserves**

**Securities premium reserve**

Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilized in accordance with the provision for the Act. In the current year, there are no utilisation from the security premium reserve.

**Dividends**

A second interim dividend of Rs. 10 per equity share of the face value of INR 10/- each amounting to INR 800 lakhs (Dividend distribution tax thereon of Rs. 164.44 lakhs) has been declared by the Board of Directors in its meeting dated 16 May, 2018.



## Note 10: Financial liabilities

## 10(a) Non-current borrowings

	31 March 2018	31 March 2017
<b>Secured</b>		
Term loans		
From Banks		
Vehicle Finance Loan from HDFC Bank (Refer Note below)	296.00	376.50
<b>Total non-current borrowings</b>	<b>296.00</b>	<b>376.50</b>
Less: Current maturities of long term debt (included in note 10(d))	88.57	78.82
Less: Interest accrued (included in note 10(d))	1.43	1.55
<b>Non-Current borrowings</b>	<b>206.00</b>	<b>295.13</b>

## 10 (b) Current borrowings

	31 March 2018	31 March 2017
<b>Secured</b>		
Cash credit from HDFC Bank	300.27	481.49
<b>Total current borrowings</b>	<b>300.27</b>	<b>481.49</b>
<b>Current borrowings</b>	<b>300.27</b>	<b>481.49</b>

## (a) Nature of Security:

(i) Vehicle Finance Loans from HDFC Bank of Rs. 296 (31 March 2017: Rs. 376.50 lakhs) are secured by way of hypothecation on the Company's Commercial Vehicles purchased through the loan amount. Repayable in 59 equal monthly instalments along with interest ranging from 9.24% per annum to 10.25% per annum on reducing monthly balance.

ii) Cash Credit from HDFC Bank amounting to Rs.300.27 lakhs (March 31, 2017 Rs. 481.49 lakhs) is secured by first exclusive charge on stock in trade, book debts and receivables, plant & machinery consisting of reach stackers, movable assets of the company and Corporate Guarantee of Gateway Distriparks Limited, the Holding Company.

## 10(c) Trade payables

	31 March 2018	31 March 2017
-Total Outstanding dues of Micro Enterprises and Small Enterprise (refer note 28)	-	-
-Other Payables	97.71	21.86
<b>Total trade payables</b>	<b>97.71</b>	<b>21.86</b>

## 10(d) Other financial liabilities

	31 March 2018	31 March 2017
Current maturities of Long-Term Borrowings	88.57	78.82
Payables for capital assets	65.27	47.26
Interest accrued but not due	1.43	1.55
<b>Total other current financial liabilities</b>	<b>155.27</b>	<b>127.63</b>



## Note 11: Employee benefit obligations

	31 March 2018		31 March 2017	
	Current	Non-current	Current	Non-current
Compensated Absences	2.18	3.27	2.05	2.97
Gratuity	4.54	8.04	4.11	7.44
Director commission payable	23.81	-	24.15	-
Employee Benefit Payable	1.53	-	4.19	-
<b>Total employee benefit obligations</b>	<b>32.06</b>	<b>11.31</b>	<b>34.51</b>	<b>10.41</b>

## (i) Compensated Absences

The leave obligation cover the company liability for sick and earned leave.

## (ii) Post Employment obligations

## (a) Gratuity

The Company provides for gratuity for employees in India as per payment of gratuity Act, 1972. Employee who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the company is

## (b) Defined Contribution Plans

The Company makes contributions to Provident Fund, which are defined contribution plan, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.4.48 lakhs (31 March 2017 Rs. 4.13 lakhs ) for these contribution in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the year are as follows:

## Balance sheet amount (Gratuity)

## (a) Movement of Present Value Obligation

Present value of obligation	Amount
01 April 2017	11.55
Current service cost	0.85
Interest expense/(income)	0.83
<b>Total amount recognised in profit and loss</b>	<b>1.68</b>
<i>Remeasurements</i>	
Return on plan assets, excluding amount included in interest expense/(income)	
(Gain)/loss from change in demographic assumptions	
(Gain)/loss from change in financial assumptions	(0.38)
Experience (gains)/losses	(0.27)
<b>Total amount recognised in other comprehensive income</b>	<b>(0.65)</b>
Employer contributions	
Benefit payments	-
<b>31 March 2018</b>	<b>12.58</b>

Present value of obligation	Amount
1 April 2016	11.59
Current service cost	1.25
Interest expense/(income)	0.90
<b>Total amount recognised in profit and loss</b>	<b>2.15</b>
<i>Remeasurements</i>	
Return on plan assets, excluding amount included in interest expense/(income)	-
(Gain)/loss from change in demographic assumptions	(0.08)
(Gain)/loss from change in financial assumptions	0.65
Experience (gains)/losses	(2.76)
<b>Total amount recognised in other comprehensive income</b>	<b>(2.19)</b>
Employer contributions	
Benefit payments	-
<b>31 March 2017</b>	<b>11.55</b>

The net liability disclosed above relates to unfunded plans are as follows:

	31 March 2018	31 March 2017
Present value of unfunded plan	12.58	11.55
Deficit of gratuity plan	12.58	11.55

## (iii) Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	31 March 2018	31 March 2017
Discount rate	7.56%	7.12%
Salary growth rate	8.25%	8.25%
Attrition rate	5.00%	5.00%



**GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of financial statements for the year ended 31st March 2018  
(All amounts in INR lakhs, unless otherwise stated)

**iv) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumptions		Impact on defined benefit obligation					
			Increase in assumptions			Decrease in assumptions		
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017		
Discount rate	1%	1%	Decrease by 6.31%	6.66%	Increase by 7.32%	7.77%		
Salary growth rate	1%	1%	Increase by 7.19%	7.60%	Decrease by 6.33%	6.65%		
Attrition rate	1%	1%	Decrease by 0.42%	0.66%	Increase by 0.47%	0.74%		

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(v) Risk Exposure**

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**(i) Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the

**(ii) Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's

**(iii) Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their

**(iv) Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(vi) Defined benefit liability and employers contributions**

Expected contributions to post-employment benefits for the year ended 31 March 2018 is NIL (31 March 2017 Nil) for the unfunded plan.

**vii) Defined benefit obligation and employers contributions**

The weighted average duration of the projected benefit obligation is 8 years (2017- 13 years, 2016- 12 years). The expected maturity analysis of undiscounted gratuity is as follows

**31 March 2018**

	31 March 2018	31 March 2017
1st Following Year	4.54	4.11
2nd Following Year	0.42	0.37
3rd Following Year	0.43	0.38
4th Following Year	0.44	0.39
5th Following Year	0.47	0.41
Sum of Years 6 To 10	2.56	2.23

**Note 12: Other liabilities**

	31 March 2018	31 March 2017
	Current	Current
Advances received from customers	13.88	14.27
Statutory dues	38.59	29.05
<b>Total other liabilities</b>	<b>52.47</b>	<b>43.33</b>



**Note 13: Revenue from operations**

	31 March 2018	31 March 2017
Container Handling, Transport, Storage and Ground Rent income (Refer Note (a) below)	4,763.96	5,321.58
<b>Total Revenue from operations</b>	<b>4,763.96</b>	<b>5,321.58</b>

**a) Details of Container Handling, Transport, Storage and Ground Rent Income**

	31 March 2018	31 March 2017
Container Ground Rent	727.83	740.51
Container Handling, Transport and Storage	4,036.13	4,581.07
<b>Total</b>	<b>4,763.96</b>	<b>5,321.58</b>

**Note 14: Other income**

	31 March 2018	31 March 2017
Net gain on disposal of property, plant and equipment	13.00	-
Interest -		
- From bank on fixed deposits	0.24	12.05
- From others	1.66	1.55
Liabilities/ Provisions no Longer Required Written Back	-	42.53
Miscellaneous Income	5.70	10.90
<b>Total other income</b>	<b>20.60</b>	<b>67.03</b>

**Note 15: Operating expenses**

	31 March 2018	31 March 2017
Incentives and commission	164.66	206.51
Transportation	1,447.88	1,405.32
Labour charges	391.55	451.63
Sub Contract Charges	262.94	313.69
Equipment hire charges	64.40	11.40
Surveyor charges	38.00	43.95
Port Detention charges	-	1.06
Auction Expenses	12.33	0.26
<b>Total operating expenses</b>	<b>2,381.76</b>	<b>2,433.82</b>

**Note 16: Employee benefit expense**

	31 March 2018	31 March 2017
Salaries, Allowances and Bonus	92.73	97.12
Contribution to provident and other funds	4.48	4.13
Leave Compensation	2.61	1.85
Gratuity(Refer note 11)	1.68	2.15
Staff welfare expenses	0.61	0.50
<b>Total Employee Benefit Expenses</b>	<b>102.11</b>	<b>105.75</b>

**Note 17: Depreciation and amortisation expense**

	31 March 2018	31 March 2017
Depreciation on property, plant and equipment (Refer note 3)	241.50	240.51
Amortisation of Intangible Assets (Refer note 4)	12.36	7.91
<b>Total depreciation and amortisation expense</b>	<b>253.86</b>	<b>248.42</b>

**Note 18: Other expenses**

	31 March 2018	31 March 2017
Power and fuel	215.19	222.63
Rent	87.00	39.22
Rates and taxes	52.58	31.77
Repairs & Maintenance:		
Building	54.77	51.77
Plant and machinery	73.29	97.30
Others	5.53	12.73
Insurance	9.54	3.73
Directors Sitting Fees	2.20	2.20
Customs Cost Recovery	-	15.32
Printing and Stationery	7.18	8.49
Travelling expenses	23.15	23.30
Communication expenses	5.56	5.86
Security Charges	52.93	45.52
Audit Fees (Refer note 18(a) below)	2.13	5.69
Professional charges	8.38	9.40
Corporate Social Responsibility (Refer note 18(b) below)	40.00	40.00
Provision for Doubtful debts	35.19	-
Miscellaneous expenses	4.30	5.20
<b>Total other expenses</b>	<b>678.92</b>	<b>620.13</b>

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19(a) Details of payments to auditors

	31 March 2018	31 March 2017
Payment to auditors		
As auditor:		
Audit fee	2.00	5.50
In Other Capacities		
Reimbursement of expenses	0.13	0.19
<b>Total</b>	<b>2.13</b>	<b>5.69</b>

19(b) Corporate social responsibility expenditure

	31 March 2018	31 March 2017
Amount required to be spent as per section 135 of the act	39.96	38.92
Amount spent during the year on		
(i) Construction / acquisition of an asset	-	-
(ii) on purposes other than (i) above	40.00	40.00

Note 19: Finance costs

	31 March 2018	31 March 2017
Interest		
-Financial Liabilities at amortised cost	32.56	26.71
-Cash credit	59.75	9.44
Bank charges	1.73	2.61
<b>Finance cost expensed in profit or loss account</b>	<b>94.04</b>	<b>38.76</b>

Note 20: Income tax expense


20(a) Statement of profit and loss:

	31 March 2018	31 March 2017
(a) Income tax expense		
<u>Current tax</u>		
Current tax on profits for the year	280.60	405.32
<b>Total current tax expense/(saving)</b>	<b>280.60</b>	<b>405.32</b>
<u>Deferred tax</u>		
Increase/(Decrease) in deferred tax assets	-	-
Increase/(Decrease) in deferred tax liabilities	7.20	(23.01)
MAT Credit Entitlement	(280.51)	(397.38)
<b>Income tax expense</b>	<b>7.29</b>	<b>(15.07)</b>

No deferred tax has been recorded for items recognised in other comprehensive income during the years. Further, No aggregate amounts of current and deferred tax have arisen in the reporting periods, which have not been recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity

20(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

	31 March 2018	31 March 2017
Profit before tax	1,273.88	1,941.73
Statutory Income tax rate	34.608%	34.608%
Computed expected tax expenses	440.86	671.99
Differences due to:		
Tax effect on temporary differences increased/(reversed) during the tax holiday period	7.20	(23.01)
Income that is exempt from Tax Under Section 80IA (4) of Income Tax Act	(440.78)	(664.05)
Other	-	-
<b>Effective Income tax rate</b>	<b>7.29</b>	<b>(15.07)</b>



21 FAIR VALUE MEASUREMENTS

(a) Financial instrument by category.

Financial Assets	March 31, 2018 Rupees			March 31, 2017 Rupees		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
Trade Receivable	-	-	1,290.34	-	-	1,477.16
Cash and Cash equivalent	-	-	0.37	-	-	0.58
Other Bank Balances	-	-	3.25	-	-	-
Other Financial Assets	-	-	69.38	-	-	101.50
<b>Total Financial Assets</b>	-	-	<b>1,363.34</b>	-	-	<b>1,579.24</b>
Financial Liabilities						
Borrowings (including current maturities)	-	-	594.84	-	-	856.44
Trade Payables	-	-	97.71	-	-	21.86
Other Financial Liabilities	-	-	66.70	-	-	48.81
<b>Total Financial Liabilities</b>	-	-	<b>759.25</b>	-	-	<b>927.11</b>

(i) Fair Value Hierarchy						
Financial assets which are measured at amortised cost for which fair values are disclosed 31 March 2018	Notes	Level 1	Level 2	Level 3	Total	
Financial Assets						
Security Deposit (refer note 22)	5(d)	-	-	42.50	42.50	
<b>Total Financial Assets</b>		-	-	<b>42.50</b>	<b>42.50</b>	
Financial Liabilities						
Borrowings (including current maturities)	10(a)	-	-	594.84	594.84	
<b>Total Financial Liabilities</b>		-	-	<b>594.84</b>	<b>594.84</b>	

Financial assets which are measured at amortised cost for which fair values are disclosed 31 March 2017	Notes	Level 1	Level 2	Level 3	Total	
Financial Assets						
Security Deposit (refer note 22)	5(d)	-	-	39.04	39.04	
<b>Total Financial Assets</b>		-	-	<b>39.04</b>	<b>39.04</b>	
Financial Liabilities						
Borrowings (including current maturities)	10(a)	-	-	856.44	856.44	
<b>Total Financial Liabilities</b>		-	-	<b>856.44</b>	<b>856.44</b>	

Except for those financial assets/liabilities mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1 - Level 1 Hierarchy includes financial instruments measured using quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between level 1 and level 2 during the year.

The fair values of investment in security deposit and non current borrowings were calculated based on cash flows discounted at current lending rate/ borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:  
The fair value of the financial instruments is determined using discounted cash flow analysis.  
All of the resulting fair value estimates are included in level 3.

(iii) Fair value of financial assets and liabilities measured as amortised cost

	As at March 31, 2018 Rupees		As at March 31, 2017 Rupees	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Security Deposit	42.50	42.50	39.40	39.04
<b>Total Financial Assets</b>	<b>42.50</b>	<b>42.50</b>	<b>39.40</b>	<b>39.04</b>
Financial Liabilities				
Borrowings	594.84	594.84	856.44	856.44
<b>Total Financial Liabilities</b>	<b>594.84</b>	<b>594.84</b>	<b>856.44</b>	<b>856.44</b>

Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, if any. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.



**22 FINANCIAL RISK MANAGEMENT**

The company expose to the market, risk ,liquidity risk and credit risk. This note explain the sources of risk which the entity is exposed to and how the entity manage the risk .

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalent, trade receivable, financial assets measured at amortised cost.	Aging analysis	Bank deposit, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed borrowings facilities ( Cash Credit)
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Monitoring and shifting benchmark interest rates

**(A) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution and other financial instruments.

The Company has defined default period as 180 days past due with no payment received in past 180 days. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

**Trade Receivable and other financial assets**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Other financial assets are unsecured receivables. It comprises of margin money with the bank, utility deposits with the government authorities and accrued income on containers lying at the warehouse/yard but have not been invoiced.

Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. There are no significant credit risk pertaining to margin money and utility deposits.

Of the Trade Receivables balance as at March 31, 2018, the top 5 customers of the Company represent the balance of Rs. 884.28 lakhs (2017- Rs. 668.13 lakhs). There are 6 customers who represent more than 5% of total balance of Trade Receivables.

Total maximum credit exposure on trade receivable and other financial assets as at 31 March 2018 is Rs. 1396.76 lakhs (31 March 2017 is Rs. 1624.79 lakhs)

Ageing	0-30 days	31-60 days past due	61-90 days past due	91-120 days past due	121-150 days past due	151-180 days past due	Above 180 days	Total
March 31, 2018	498.65	291.89	286.28	156.19	85.60	31.50	46.28	1,396.76
March 31, 2017	672.62	434.82	276.39	107.26	32.29	13.43	87.98	1,627.31

**(ii) Reconciliation of loss allowances provision - Trade Receivable and Other Financial Assets**

Loss Allowances on 1 April 2016	91.18
Provision provided/(reversed) for the year	(42.53)
Loss Allowances on 31 March 2017	48.65
Bad debt written off	45.79
Provision provided/(reversed) for the year	(35.18)
Loss Allowances on 31 March 2018	38.04

Credit Risk on cash & Cash equivalents is limited as the company is generally deposit surplus fund with banks . The Company is not exposed to any other credit risks

**Significant estimates and judgements****Impairment of Financial Assets**

The Impairment provision for financial assets disclosed above are based on assumption about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(B) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2018	31 March 2017
Floating Rate		
Expiring within one year(Bank overdraft and other facilities)	799.73	618.51
Total	799.73	618.51



The Bank Overdraft facilities may be drawn at any time within one year. The said facility is being extended at the sole discretion of the bank and terms & conditions as well as pricing would be subject to periodic review, amendment or cancellation.

## (ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity grouping based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant. Contractual maturities of financial liability is as follows:-

Contractual maturities of financial liabilities	Less than 3 month	3 months to 6 months	6 months to 1 years	More than 1 Year	Total
31 March 2018					
Borrowings	321.62	21.87	45.35	206.00	594.83
Trade payables	97.71	-	-	-	97.71
Other Financial Liabilities	66.70	-	-	-	66.70
<b>Total Non derivative liabilities</b>	<b>485.03</b>	<b>21.87</b>	<b>45.35</b>	<b>206.00</b>	<b>759.24</b>

Contractual maturities of financial liabilities	Less than 3 month	3 months to 6 months	6 months to 1 years	More than 1 Year	Total
31 March 2017					
Borrowings	499.31	19.84	41.16	296.13	856.44
Trade payables	21.86	-	-	-	21.86
Other Financial Liabilities	48.81	-	-	-	48.81
<b>Total Non derivative liabilities</b>	<b>569.97</b>	<b>19.84</b>	<b>41.16</b>	<b>296.13</b>	<b>927.11</b>

## (C) Market Risk

Market risks comprises of price risk and interest rate risk. The Company does not designate any fixed rate financial assets as fair value through profit and loss nor at fair value through OCI. Therefore Company does not have any financial instrument which is exposed to change in price.

## (a) Interest Rate risk exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows

Particulars	31 March 2018	31 March 2017
Variable Rate Borrowings	300.27	481.49
Fixed Rate Borrowings	294.56	374.95
<b>Total Borrowings</b>	<b>594.83</b>	<b>856.44</b>

## (b) Sensivity

Profit or loss is sensitive to higher /lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	31 March 2018	31 March 2017
Interest Rate - Increase by 1 basis point*	(1.98)	(3.18)
Interest Rate - Decrease by 1 basis point*	1.98	3.18

\* Holding all other variable constant

## 23 CAPITAL MANAGEMENT

The company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the balance sheet includes retained profit and share capital.

The company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders.

## Dividends

	31 March 2018	31 March 2017
<b>Equity Shares</b>		
Interim Dividend paid during the year ended 31 March 2018 of Rs 10 (31 March 2017 - Rs 17 ) per fully paid share.	800.00	1,360.00
In addition to the above dividends, since the year end, the Company has another interim dividend of Rs. 10 per fully paid equity share for the Financial Year 2017-18	800.00	-





GATEWAY EAST INDIA PRIVATE LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2018  
(All amounts in INR lakhs, unless otherwise stated)

24 SEGMENT INFORMATION:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman of the company. The company has identified one reportable segment "Container Freight Station" i.e. based on the information reviewed by CODM. 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 31 March 2018.

(a) Description of segments and principal activities

The Company is engaged in business of Container Freight Station. "Container Freight Station" segment includes common user facilities located at various sea ports in India, offering services for handling (including related transport), temporary storage of import / export laden and empty containers and cargo carried under customs control.

(b) Segment revenue

The company operates as a single segment. The segment revenue is measured in the same way as in the statement of profit or loss

Segment	31 March 2018		31 March 2017	
	Revenue from external customers	Total segment revenue	Revenue from external customers	Total segment revenue
Container Freight Station	4,763.96	4,763.96	5,321.58	5,321.58
Total Segment revenue	4,763.96	4,763.96	5,321.58	5,321.58

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	31 March 2018	31 March 2017
India	4,763.96	5,321.58
Outside India	-	-
Total	4,763.96	5,321.58

The amount of its non-current assets broken down by location of the customers is shown in the table below.

Non-current assets*	31 March 2018	31 March 2017
India	2,347.70	2,215.40
Outside India	-	-
Total	2,347.70	2,215.40

\*Other than deferred tax assets

	31 March 2018	31 March 2017
Number of Customers from who Revenue is more than 10% of total revenue	3	2

25 Related Party Transactions

25(a) Parent entities

The Company is controlled by the following entity:

Name	Type	Place of Incorporation	31 March 2018	31 March 2017
Gateway Disrtiparks Limited	Immediate and Ultimate parent entity	India	100%	100%

25(b) Key management personnel

Non-Executive Directors

- Mr Prem Kishan Dass Gupta
- Mr. Ishaan Gupta ( w.e.f April 27, 2016)

Non Executive Independent Director

- Mr. Shabbir Hassanbhai

25(c) Key management personnel compensation

	31 March 2018	31 March 2017
Short-term employee benefits	37.20	37.20
Total	37.20	37.20





**GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2018  
(All amounts in INR lakhs, unless otherwise stated)

**25(d) Transactions with related parties**

The following transactions occurred with related parties:

Nature of Transaction	Holding Company		Key Management Personnel	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Interim Dividend paid	800.00	1,360.00	-	-
Reimbursement of payroll cost	1.25	8.27	-	-
Sitting Fees to Mr. Prem Kishan Gupta	-	-	0.80	0.80
Sitting fees to Mr Shabbir Hassanbhai	-	-	0.60	0.80
Sitting Fees to Mr. Ishaan Gupta	-	-	0.80	0.60
Commission Payable to Mr Shabbir Hassanbhai	-	-	23.81	24.15

**25(e) The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:**

Particulars	Key Management personnel / Directors	
	31 March 2018	31 March 2017
Commission Payable to Executive Directors	23.81	24.15

**25(f) Loans to/from related parties**

No loan has been given/ received to/ from any related parties.

Note: In the opinion of the management, transactions reported herein are on arm's length basis.

**26 CONTINGENT LIABILITIES**

The Company had following contingent liabilities:

	As at March 31, 2018	As at March 31, 2017
<b>(a) Guarantees excluding financial guarantees:</b>		
Bank Guarantees and Continuity Bonds executed in favor of The President of India through the Commissioners of Excise and Customs	15,950.00	8,250.00
<b>(b) Claims against the company not acknowledge as debts</b>		
Disputed Income tax claims (including interest and penalty to the extent ascertainable) not acknowledged as debts (Refer below)	1,611.96	1,611.96
<p>Deputy Commissioner of Income Tax had issued orders under Section 143(3) of the Income Tax Act, 1961 of India ("the Income Tax Act"), for the Assessment Years 2011-2012, 2012-2013, 2013-2014 and 2014-15 disallowing the claim of deduction by the Company under Section 80-IA(4)(i) of the Income Tax Act and other expenses and issued notices of demand under Section 156 of the Income Tax Act for recovery of additional income tax and interest aggregating Rs. 659.10 lakhs and initiated proceedings to levy penalty.</p> <p>On appeal filed by the Company against the aforesaid order for Assessment Year 2011-2012, Income Tax Appellate Tribunal had allowed the aforesaid deductions. The Deputy Commissioner of Income Tax has appealed with Honorable High Court of Andhra Pradesh. Pending conclusion of the appeal, the Company has deposited Rs. 13.00 lakhs till March 31, 2017. On appeal filed by the Company against the aforesaid order for Assessment Year 2012-2013, Commissioner of Income Tax (Appeals) had allowed the aforesaid deductions.</p> <p>The Deputy Commissioner of Income Tax has appealed with Income Tax Appellate Tribunal. The Company's deposit of Rs. 15.00 lakhs is refundable as on March 31, 2017. The Company has filed an appeal for Assessment Year 2013-2014 and Assessment Year 2014-15 with Commissioner of Income Tax (Appeals) for disallowance of the aforesaid deductions. Based on ITAT order for the Assessment year 2011-12 and The Honorable Delhi High Court in the case of Container Corporation of India, in our opinion that the company is entitled to deduction under section 80-IA(4)(i) of the Income Tax Act 1961 till March 31, 2018.</p>		

**27 COMMITMENTS:**

(a) Estimated amount of contracts remaining to be executed on capital account of INR 39.77 Lacs (31 March 2017: Nil).

**(b) Non-cancellable operating lease**

The Company has non-cancellable operating lease for land used for Container Freight Station expiring within thirteen to twenty nine years. The leases have varying terms and escalation clauses.

	31 March 2018	31 March 2017
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows		
Within one year	84.27	83.33
Later than one year but not later than five years	421.34	452.76
Later than five years	1,685.06	2,252.13
	2,190.66	2,788.22

**Rental expenses relating to operating leases accounted during the year**

	31 March 2018	31 March 2017
Rent Expense	83.33	35.57
Total rent expense relating to operating lease	83.33	35.57

*APV*



**GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

**28 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED)**

The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures as per Section 22 of 'The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006' are as follows:

	31 March 2018	31 March 2017
i) The principal amount and the interest due thereon remaining unpaid to any supplier		
- Principal amount	Nil	Nil
- Interest thereon	Nil	Nil
ii) The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
iii) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	Nil	Nil
iv) The amount of interest accrued and remaining unpaid.	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor.	Nil	Nil

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED.

**29 EARNINGS PER SHARE**

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

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

	31 March 2018	31 March 2017
Profit attributable to the equity holders of the company used in calculating basic/ diluted earnings per share	1,266.59	1,956.80
Weighted average number of equity shares used as the denominator in calculating basic/ diluted earnings per share (in Lakhs)	80.00	80.00
Total basic/ diluted earnings per share attributable to the equity holders of the company	15.83	24.46



**GATEWAY EAST INDIA PRIVATE LIMITED**

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

**30 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

(a) Collateral against borrowings

Book debts and receivables, plant & machinery consisting of reach stackers, movable assets of the company amounting to Rs. 2269.91 lakhs are hypothecated as a security against Cash Credit as at March 31, 2018.

**31 Disclosure pursuant to IND AS-8 " Accounting Policies, change in accounting estimates and errors" (specified under Sec 133 of the Companies Act 2013, read with rule 7 of Companies ( Accounts) Rules, 2015) are given below:**

Following are the restatement made in current year's financial statements pertaining to previous year

	Nature	As at 31 March 2017 ( Restated )	As at 31 March 2017 { Audited }
<b>ASSETS</b>			
Other non-current assets	Reclassification Items	125.64	97.64
Other current assets	Reclassification Items	86.86	114.86
<b>LIABILITIES</b>			
Other financial liabilities - Current	Reclassification Items	129.56	157.91
Employee Benefit Obligations	Reclassification Items	34.51	6.16
<b>EXPENDITURE</b>			
Employee benefit expense	Reclassification Items	105.75	70.75
Other expenses	Reclassification Items	620.13	655.13

**Note:**

The above reclassification in the previous year's published numbers have been made for better presentation in the financial statements and to conform to the current year's classification/disclosure. This doesnot have any impact on the profit and hence no change in the basic and diluted earning per share of previous year.

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date.

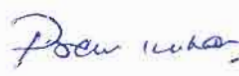
For S.R. Batliboi & Co. LLP  
Firm Registration No.: 301003E/E300005  
Chartered Accountants



per Vishal Sharma  
Partner  
Membership No.. 96766



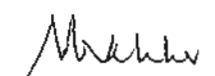
For and on behalf of the Board of Directors of  
Gateway East India Private Limited



Prem Kishan Dass Gupta  
Chairman  
DIN: 00011670



R. Kumar  
Chief Financial Officer



Shabbir Hassanbhai  
Director  
DIN: 00268133



Veena Nair  
Company Secretary

Place: New Delhi  
Date: May 16 2018

Place: New Delhi  
Date: May 16 2018