

GATEWAY EAST INDIA PRIVATE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their report along with the accounts for the year ended 31st March 2015.

A. Financial Results:

| Sl. No | Particulars | 2014-15 (Rs. Millions) | 2013-14 (Rs. Millions) |
|--------|---|---------------------------|---------------------------|
| 1 | Income from Operations and Other Income | 469.84 | 417.15 |
| 2 | Profit before Interest, Depreciation and taxes | 230.03 | 204.33 |
| 3 | Finance cost | 2.39 | 2.80 |
| 4 | Depreciation | 23.57 | 19.09 |
| 5 | Profit before Exceptional items & taxation | 204.07 | 182.44 |
| 6 | Provision for tax including MAT credit | 0.29 | (48.53) |
| 7 | Profit after tax | 203.78 | 230.97 |
| 8 | Profit/(Loss) brought forward from previous year | 433.97 | 202.99 |
| 9 | Dividend & Tax on Dividend | 320.03 | - |
| 10 | Book value of Fixed Assets with expired useful life as on April 1, 2014 | 0.60 | - |
| 11 | Profit/ (Loss) carried to Balance Sheet | 317.12 | 433.97 |

B. Dividend

The Company has declared two Interim dividends totaling Rs. 34 per equity share amounting to Rs. 272 million for the financial year 2014-15. The Dividend Distribution Tax on the Interim Dividends amounts to Rs. 48.03 million. The Company does not recommend Final Dividend for the financial year 2014-15.

C. Operations during the year & prospects

During the year, your company achieved throughput of 59,812 TEUs in the year 2014 –15 as against 50,874 TEUS in the year 2013 –14. Your Company recorded total income of Rs.469.84 million in the year 2014–15 as against Rs.417.15 Million in the year 2013–14 and a profit after tax of Rs. 203.78 million in the year 2013–14 as against Rs.230.97 million in the year 2013–14.

D. Directors

The Directors record their appreciation for the services of Mr. Gopinath Pillai, who resigned as Director on April 29, 2015. Mr. Prem Kishan Dass Gupta, Director retires by rotation and being eligible, offers himself for re-appointment. Your Directors recommend the reappointment of Mr. Prem Kishan Dass Gupta.

E. AUDITORS

Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible have offered themselves for reappointment. The Company has received letter from M/s. Price Waterhouse, Chartered Accountants, confirming that their appointment, if made, would be within the limits prescribed under Sections 139(2) and 141 of the Companies Act, 2013. Their comments on the accounts and notes to the accounts are self-explanatory.

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 2014–15, 6 meetings of the Board of Directors were held on 1 May 2014, 5 August 2014, 29 September 2014, 31 October 2014, 29 January 2015 and 12 March 2015.

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. The Company's accounts and operations are subject to review by the Audit Committee of 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, 2015, 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 2015 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 2015 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.

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo

- i) Expenditure in foreign currency: Rs. 6.42 million (2013-14: Rs. 1.80million)
(including Capital items)
- ii) Earnings in foreign currency : Nil

For and on behalf of the Board

Sd/-

Place: New Delhi
Date: 29 April 2015

Prem Kishan Gupta
Chairman

**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 | Container Freight Station |
| 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. | N.A. |

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% |

| | | | | | | | | | |
|--|---|------------------|------------------|-------------|---|------------------|------------------|-------------|------------|
| 2. Non-Institutions | - | | - | - | - | - | - | - | |
| 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 | - | - | - | - | - | - | - | - | |
| Sub-total (B)(2):- | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | |
| Grand Total (A+B+C) | - | 8,000,000 | 8,000,000 | 100% | - | 8,000,000 | 8,000,000 | 100% | (0) |

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 | 7,999,999 | 100% | 0 | 7,999,999 | 100% | 0 | 0 |
| 2 | Prem Kishan Gupta jointly with Gateway Distriparks Limited | 1 | 0 | 0 | 1 | 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 | 7,999,999 | 100% | 7,999,999 | 0 |
| | Increase / Decrease in Promoters Shareholding during the year: | - | 0 | - | |
| | At the end of the year | | 100% | 7,999,999 | 0 |
| 2 | Prem Kishan Gupta | | | | |
| | At the beginning of the year | 1 | 0 | 1 | 0 |
| | Increase / Decrease in Promoters Shareholding during the year: | - | 0 | 1 | 0 |
| | At the end of the year | 1 | 0 | 1 | 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 | | | | |

D) 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 Gupta | | | | |
| | At the beginning of the year | 1 | 0 | 1 | 0 |
| | Transactions (purchase / sale) during the year | 0 | 0 | 0 | 0 |
| | At the end of the year | 1 | 0 | 1 | 0 |
| 2 | Shabbir H Hassanbhai | | | | |
| | 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.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 27,539,902 | - | - | 27,539,902 |
| ii) Interest due but not paid | | - | - | |
| iii) Interest accrued but not due | 2,00,723 | - | - | 2,00,723 |
| Total (i+ii+iii) | 27,740,625 | - | - | 27,740,625 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | - | - | 0 |
| * Reduction | 13,465,920 | - | - | 13,465,920 |
| Net Change | 13,465,920 | | | 13,465,920 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 14,165,652 | - | - | 14,165,652 |
| ii) Interest due but not paid | | - | - | |
| iii) Interest accrued but not due | 109,053 | - | - | 109,053 |
| Total (i+ii+iii) | 14,274,705 | - | - | 14,274,705 |

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 –

| SN. | Particulars of Remuneration | Name of Director | | | Total Amount |
|-----|---|-----------------------|---------------------|------------------------|--------------|
| | | Mr. Prem Kishan Gupta | Mr. Gopinath Pillai | Mr. Shabbir Hassanbhai | |
| 1 | Fee for attending Board / Committee meeting | 120,000 | 100,000 | 100,000 | 320,000 |
| 2 | Commission | | 4,900,000 | 1,400,000 | 6,300,000 |
| 3 | Others, please specify | | | | |
| | Total (A) | 120,000 | 5,000,000 | 1,500,000 | 6,620,000 |
| | Ceiling as per the Act | | | | 6,837,975 |

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

| SN. | Particulars of Remuneration | Key Managerial Personnel | 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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | NIL | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | NIL | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | NIL | | | |
| 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 2014-15 paid |
| (c) Duration of the contracts / arrangements/transactions | Interim Dividend paid on May 3, 2014, August 5, 2014 and on March 16, 2015 for FY 2014-15. |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | Interim Dividend paid on May 3, 2014: Rs. 1 60,000,000, on August 5, 2014: Rs. 52,000,000 and on March 16, 2015: Rs. 60,000,000 |
| (e) Date(s) of approval by the Board, if any: | May1, 2014, August 5, 2014 and on March 12, 2015 |
| (f) Amount paid as advances, if any: | Nil |

For and on behalf of the Board of Directors

Sd/-

Prem Kishan Gupta
Chairman

Place: New Delhi

Date: April 29, 2015

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 Gupta (Chairman), Mr. Gopinath Pillai and Mr. Shabbir Hassanbhai (Independent Director).

3. Average Net Profit of the Company for the last three years is Rs. 135,643,719

4. Prescribed CSR Expenditure (2% of amount in item 3 above) is Rs. 2,713,000

5. Details of CSR to be spent for the financial year 2014-15:

(a) Total Amount to be spent for the financial year 2014-15: Rs. 2,713,000

(b) Amount unspent: Nil

(c) Manner in which the amount was spent during FY 2014-15 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 2014-15 | 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. 2,713,000 | Rs. 2,713,000 | Rs. 2,713,000 | Contribution to Prime Minister's National Relief Fund Rs. 2,713,000 |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | <p>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.</p> | | | | |
|--|--|--|--|--|--|--|--|

6. The Company has spent 2% of the average net profit for the last financial 3 years on CSR activities during financial year 2014-15.

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/-

Mr. Prem Kishan Gupta
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GATEWAY EAST INDIA PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Gateway East India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, and its profit and its cash flows for the year ended on that date.



INDEPENDENT AUDITOR'S REPORT

To the Members of Gateway East India Private Limited

Report on the Financial Statements


Page 2 of 2

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its financial statements – Refer Note 22;
 - ii. The Company has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

Place: New Delhi
Date : April 29, 2015

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants


Priyanshu Gundana
Partner
Membership Number: 109553

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gateway East India Private Limited on the financial statements as of and for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, income tax, wealth tax, duty of customs, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, duty of customs and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (Rs.)* | Period to which the amount relates | Forum where the dispute is pending |
|----------------------|----------------|---------------|------------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax | 1,300,000 | Assessment Year 2011-2012 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 7,315,080 | Assessment Year 2012-2013 | Commissioner of Income Tax (Appeals) |

*Net of amounts paid under protest

- (c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.



Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Gateway East India Private Limited on the financial statements as of and for the year ended March 31, 2015
Page 2 of 2

- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Price Waterhouse**

Firm Registration Number: FRN 301112E
Chartered Accountants


Priyanshu Gundana
Partner
Membership Number: 109553

Place: New Delhi
Date: April 29, 2015

Gateway East India Private Limited

Balance Sheet as at March 31, 2015

| | Note | As at March 31, 2015 Rs. | As at March 31, 2014 Rs. |
|--|------|--------------------------------|--------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| Share Capital | 2 | 80,000,000 | 80,000,000 |
| Reserves and Surplus | 3 | 357,122,823 | 473,966,467 |
| | | 437,122,823 | 553,966,467 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 4 | 3,835,904 | 14,165,652 |
| Deferred Tax Liabilities | 5 | 4,335,629 | 5,747,779 |
| Long-Term Provisions | 6 | 1,059,690 | 1,139,486 |
| | | 9,231,223 | 21,052,917 |
| Current Liabilities | | | |
| Trade Payables | 7 | 17,608,018 | 11,944,490 |
| Other Current Liabilities | 8 | 19,634,408 | 18,418,223 |
| Short-Term Provisions | 9 | 800,480 | 2,552,306 |
| | | 38,042,906 | 32,915,019 |
| | | 484,396,952 | 607,934,403 |
| TOTAL | | | |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| - Tangible Assets | 10 | 173,707,570 | 197,189,803 |
| Long-Term Loans and Advances | 11 | 133,903,414 | 87,422,538 |
| | | 307,610,984 | 284,612,341 |
| Current Assets | | | |
| Trade Receivables | 12 | 139,637,357 | 98,100,346 |
| Cash and Bank Balances | 13 | 32,937,151 | 217,418,610 |
| Short-Term Loans and Advances | 14 | 2,021,848 | 2,769,732 |
| Other Current Assets | 15 | 2,189,612 | 5,033,374 |
| | | 176,785,968 | 323,322,062 |
| | | 484,396,952 | 607,934,403 |
| TOTAL | | | |
| Significant Accounting Policies | 1 | | |

The Notes are an integral part of these Financial Statements.

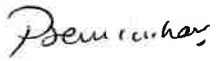
In terms of our report of even date.

For **Price Waterhouse**
Firm Registration No.: FRN 301112E
Chartered Accountants


Priyanshu Gundana
Partner
Membership No.: 109553

For and on behalf of the Board of Directors


Gopinath Pillai
Director


Prem Kishan Gupta
Chairman


Veena Nair
Company Secretary



Place: New Delhi
Date: April 29, 2015

Place: New Delhi
Date: April 29, 2015

Gateway East India Private Limited

Statement of Profit and Loss for the year ended March 31, 2015

| | Note | 2014-2015 Rs. | 2013-2014 Rs. |
|--|------|--------------------|--------------------|
| REVENUES | | | |
| Revenue from Operations | 16 | 465,050,624 | 392,975,227 |
| Other Income | 17 | 4,786,156 | 24,178,531 |
| Total Revenue | | 469,836,780 | 417,153,758 |
| EXPENSES | | | |
| Operating Expenses | 18 | 175,437,674 | 162,588,331 |
| Employee Benefits Expense | 19 | 12,603,981 | 7,461,820 |
| Finance Costs | 20 | 2,386,371 | 2,803,586 |
| Depreciation and Amortisation Expense | 10 | 23,571,575 | 19,086,203 |
| Other Expenses | 21 | 51,767,186 | 42,772,615 |
| Total Expenses | | 265,766,787 | 234,712,555 |
| Profit before Tax | | 204,069,993 | 182,441,203 |
| Tax Expense | | | |
| - Current Year Tax [Minimum Alternate Tax] [Refer Notes 1(vii) and 29] | | 43,700,000 | 37,500,000 |
| - Minimum Alternate Tax Credit Entitlement [including credit for previous years] [Refer Notes 1(vii) and 29] | | (42,000,000) | (86,000,000) |
| - Deferred Tax [Refer Notes 1(vii) and 5] | | (1,412,150) | (31,748) |
| Profit after Tax | | 203,782,143 | 230,972,951 |
| Earnings Per Share [Refer Note 1(xii)] [Face value per share: Rs. 10 (Previous year: Rs. 10)] | 26 | | |
| - Basic and Diluted (Rs. per share) | | 25.47 | 28.87 |
| Significant Accounting Policies | 1 | | |

The Notes are an integral part of these Financial Statements.

In terms of our report of even date.

For **Price Waterhouse**
Firm Registration No.: FRN 301112E
Chartered Accountants

Priyanshu Gundana
Partner
Membership No.: 109553



Place: New Delhi
Date: April 29, 2015

For and on behalf of the Board of Directors

Gopinath Pillai
Director

Veena Nair
Company Secretary

Prem Kishan Gupta
Chairman

Place: New Delhi
Date: April 29, 2015

Gateway East India Private Limited

Cash Flow Statement for the year ended March 31, 2015

| | 2014-2015 | 2013-2014 |
|---|--------------------------|----------------------|
| | Rs. | Rs. |
| A. Cash flow from operating activities: | | |
| Profit before Tax | 204,069,993 | 182,441,203 |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 23,571,575 | 19,086,203 |
| Provision for Doubtful Debts | 2,506,836 | 3,457,027 |
| Provision/ (Write back) for Doubtful Ground Rent | 194,490 | (11,346,150) |
| Liabilities no Longer Required Written Back | - | (219,279) |
| Interest Income | (3,825,200) | (10,903,801) |
| Loss on Sale of Tangible Assets | - | 25,163 |
| Provision for Disputed Claims | 100,000 | 200,000 |
| Finance Costs | 2,258,171 | 2,803,586 |
| Operating profit before working capital changes | 228,875,865 | 185,543,952 |
| Adjustments for change in working capital: | | |
| Decrease/ (Increase) in Trade Receivables | (44,043,847) | (19,447,289) |
| Decrease/ (Increase) in Long-Term Loans and Advances | (28,000) | (30,000) |
| Decrease/ (Increase) in Short-Term Loans and Advances | 747,884 | (1,764,070) |
| Decrease/ (Increase) in Other Assets | (1,105,355) | 10,646,555 |
| (Decrease)/ Increase in Trade Payables | 5,663,528 | 3,787,191 |
| (Decrease)/ Increase in Other Liabilities | 5,004,499 | 745,522 |
| (Decrease)/ Increase in Long term Provisions | (79,796) | 88,194 |
| (Decrease)/ Increase in Short term Provisions | 395,279 | (296,753) |
| Cash generated from operations | 195,430,057 | 179,273,302 |
| Taxes Paid | (50,399,981) | (37,129,745) |
| Net cash from operating activities | (A) 145,030,076 | 142,143,557 |
| B. Cash flow from investing activities: | | |
| Purchase of Tangible Assets (including capital advances and net of capital creditors) | (1,339,401) | (36,606,182) |
| Fixed deposits placed | 186,100,000 | (131,100,000) |
| Sale of Tangible Assets | - | 4,000 |
| Interest Received | 7,579,827 | 8,145,257 |
| Net cash from/ (used in) investing activities | (B) 192,340,426 | (159,556,925) |
| C. Cash flow from financing activities: | | |
| Proceeds from Long-Term Borrowings | - | 19,952,216 |
| Repayment of Long-Term Borrowings | (13,374,250) | (8,759,057) |
| Finance Costs | (2,349,841) | (2,656,405) |
| Payment of Dividend | (272,000,000) | - |
| Payment of Tax on Dividend | (48,027,870) | - |
| Net cash from/ (used in) financing activities | (C) (335,751,961) | 8,536,754 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (A+B+C) 1,618,541 | (8,876,614) |
| Cash and Cash Equivalents at the beginning of the year | 16,318,610 | 25,195,224 |
| Cash and Cash Equivalents at the year end | 17,937,151 | 16,318,610 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 1,618,541 | (8,876,614) |
| Cash and Cash Equivalents comprise: | | |
| Cash on Hand | 19,396 | 23,409 |
| Cheques on Hand | 1,768,996 | 1,994,414 |
| Bank Balances: | | |
| - Current Account | 6,148,759 | 14,300,787 |
| - Fixed Deposits with original maturity less than 3 months | 10,000,000 | - |
| | 17,937,151 | 16,318,610 |

Notes:

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

In terms of our report of even date.

For Price Waterhouse
Firm Registration No.: FRN 301112E
Chartered Accountants

Priyanshu Gundana
Partner
Membership No.: 109553



For and on behalf of the Board of Directors

Gopinath Pillai
Director

Veena Nair
Company Secretary

Prem Kishan Gupta
Chairman

Place: New Delhi
Date: April 29, 2015

Place: New Delhi
Date: April 29, 2015

Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

General Information

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.

1 Significant Accounting Policies

(i) Basis of Accounting

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

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

(ii) Fixed Assets and Depreciation

- (a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation/ amortisation and accumulated impairment losses, if any. The Company capitalises all costs relating to the acquisition, installation and construction of fixed assets up to the date when the assets are ready for commercial use. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- (b) Depreciation on additions/ deletions to fixed assets is calculated on pro-rata basis from the month of such additions/ deletions. The Company provides depreciation on straight-line method at the rates specified under Schedule II to the Companies Act, 2013, except for:
- Building, which is being amortised over lease period of the leasehold land at Vizag CFS.
 - Reach Stackers and Forklifts (included in Yard Equipments), which are being depreciated over a period of ten years.
- (c) Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(iii) Borrowing Cost

Borrowing costs directly attributable to the acquisition/ construction of an asset are apportioned to the cost of the Fixed Assets up to the date on which the asset is put to use/ commissioned.



RW



Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

(iv) **Foreign Currency Transactions**

Initial Recognition

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

Subsequent Recognition

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

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, from April 1, 2011 onwards, the Company has adopted the following policy:

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

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

(v) **Employee Benefits**

(a) **Defined Contribution Plan**

Contribution towards provident fund and pension scheme for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

(b) **Defined Benefit Plan**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined by an independent actuary (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(c) **Other Employee Benefits**

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

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

(d) **Termination Benefits**

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



Rd



Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

(vi) Revenue Recognition

- (a) Income from Container Handling, Transport and Storage are recognised on delivery of the container/ cargo. Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station. However, in case of long standing containers, the Income from Ground Rent is not accrued for a period beyond 60 days on a consistent basis as per the prevailing business practice. Income from operations are recognised net of trade discounts, rebates, sales taxes and service tax.
- (b) Income from auction sales is generated when the Company auctions long-standing cargo that has not been cleared by customs. Revenue and expenses for Auction Sales are recognised when auction is completed after obtaining necessary approvals from appropriate authorities. Auction Sales include recovery of the cost incurred in conducting auctions, custom duties on long-standing cargo and accrued ground rent and handling charges relating to long-standing cargo. Surplus, out of auctions, if any, after meeting all expenses and the actual ground rent, is credited to a separate account 'Auction Surplus' and is shown under the head 'Other Current Liabilities'. Unclaimed Auction Surplus, if any, in excess of one year is written back as 'Income' in the following financial year.
- (c) Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(vii) Current and Deferred Tax

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

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

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

(viii) Segment Reporting

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

(ix) Provisions and Contingent Liabilities

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

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

(x) Cash and Cash Equivalents

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



Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

2 Share Capital

| | As at March 31, 2015 Rs. | As at March 31, 2014 Rs. |
|---|--------------------------------|--------------------------------|
| Authorised 10,000,000 (Previous year: 10,000,000) Equity Shares of Rs. 10 each | 100,000,000 | 100,000,000 |
| Issued, Subscribed and Paid-Up 8,000,000 (Previous year: 8,000,000) Equity Shares of Rs. 10 each, fully paid-up | 80,000,000 | 80,000,000 |
| | 80,000,000 | 80,000,000 |

A) Reconciliation of number of shares

| | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | Number of Shares | Rs. | Number of Shares | Rs. |
| Equity shares | | | | |
| Balance as at the beginning of the year | 8,000,000 | 80,000,000 | 8,000,000 | 80,000,000 |
| Add: Shares issued during the year | - | - | - | - |
| Balance as at the end of the year | 8,000,000 | 80,000,000 | 8,000,000 | 80,000,000 |

B) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at March 31, 2015 | As at March 31, 2014 |
|--|-------------------------|-------------------------|
| Equity Shares | | |
| Gateway Distriparks Limited, the Holding Company | 8,000,000 100.00% | 8,000,000 100.00% |

D) Shares held by Holding Company

| | As at March 31, 2015 Rs. | As at March 31, 2014 Rs. |
|---|--------------------------------|--------------------------------|
| Equity Shares | | |
| 8,000,000 Shares (Previous year: 8,000,000 Shares) held by Gateway Distriparks Limited, the Holding Company | 80,000,000 | 80,000,000 |

3 Reserves and Surplus

| | | |
|---|--------------------|--------------------|
| Securities Premium Account | 40,000,000 | 40,000,000 |
| Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 433,966,467 | 202,993,516 |
| Profit for the year | 203,782,143 | 230,972,951 |
| Less: Book value of Fixed Assets with expired useful life as on April 1, 2014 [Refer Note 10 (b)] | 597,917 | - |
| | 637,150,693 | 433,966,467 |
| Less: Appropriations | | |
| Interim Dividend paid | 272,000,000 | - |
| Tax on Dividend | 48,027,870 | - |
| Balance as at the end of the year | 317,122,823 | 433,966,467 |
| Total | 357,122,823 | 473,966,467 |

4 Long-Term Borrowings

| | | |
|-----------------------------------|------------------|-------------------|
| Secured | | |
| Vehicle Finance Loans from a Bank | 3,835,904 | 14,165,652 |
| | 3,835,904 | 14,165,652 |

Nature of Security:

1. Vehicle Finance Loans from HDFC Bank of Rs. 14,165,652 (Previous year: Rs. 27,539,902) are secured by way of hypothecation of the Company's Commercial Vehicles Purchased.

Terms of Repayment:

1. Vehicle Finance Loan for 1 Reachstacker is repayable in 47 equal monthly instalments from August 15, 2011 to June 15, 2015 along with interest of 11.10% per annum on reducing monthly balance.
2. Vehicle Finance Loan for 1 Container Handling Equipment is repayable in 35 equal monthly instalments from April 20, 2013 to February 20, 2016 along with interest of 10.19% per annum on reducing monthly balance.
3. Vehicle Finance Loan for 1 Reachstacker is repayable in 35 equal monthly instalments from November 1, 2013 to September 1, 2016 along with interest of 11.01% per annum on reducing monthly balance.



Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

(xi) **Leases**

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

(xii) **Earnings Per Share**

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

(xiii) **Use of Estimates**

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



R2

Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

| | As at March 31, 2015 Rs. | As at March 31, 2014 Rs. |
|---|--------------------------------|--------------------------------|
| 5 Deferred Tax Liabilities [Refer Note 1(vii)] | | |
| Depreciation | 4,335,629 | 5,747,779 |
| | 4,335,629 | 5,747,779 |
| 6 Long-Term Provisions | | |
| Employee Benefits [Refer Notes 1(v) and 26] | | |
| - Gratuity | 635,418 | 691,966 |
| - Compensated Absences | 424,272 | 447,520 |
| | 1,059,690 | 1,139,486 |
| 7 Trade Payables | | |
| - Due to Micro Enterprises and Small Enterprises [Refer Note (a) below] | - | - |
| - Due to Others | 17,608,018 | 11,944,490 |
| | 17,608,018 | 11,944,490 |
| Note (a) | | |
| There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors. | | |
| 8 Other Current Liabilities | | |
| Current maturities of Long-Term Borrowings (Refer Note 4) | 10,329,748 | 13,374,250 |
| Interest Accrued but not due on Borrowings | 109,053 | 200,723 |
| Advances from Customers | 177,358 | 229,029 |
| Retention Money | - | 617,192 |
| Other Payables: | | |
| - Due to Employees | 412,750 | 386,364 |
| - Directors' Commission and Sitting Fees | 4,347,000 | 1,201,000 |
| - Other Contractual Obligations | 502,203 | 1,173,936 |
| - Statutory Dues (including Tax Deducted at Source) | 3,677,568 | 1,122,051 |
| - For Fixed Assets | 78,728 | 113,678 |
| | 19,634,408 | 18,418,223 |
| 9 Short-Term Provisions | | |
| Provision for Taxation | - | 2,247,105 |
| [Net of Advance tax Rs. Nil (Previous year: Rs. 91,847,492)] | | |
| Employee Benefits [Refer Notes 1(v) and 26] | | |
| - Gratuity | 271,114 | 14,699 |
| - Compensated Absences | 229,366 | 90,502 |
| Other Provisions: | | |
| - Provision for Disputed Claims [Refer Note (a) below] | 300,000 | 200,000 |
| | 800,480 | 2,552,306 |

(a) Provisions

| | Disputed Claims As at March 31, 2015 Rs. | As at March 31, 2014 Rs. |
|---------------------------------------|---|--------------------------------|
| Balance at the beginning of the year | 200,000 | 300,000 |
| Additions | 300,000 | 286,044 |
| Amount used | (200,000) | (386,044) |
| Unused amount reversed | - | - |
| Balance at the end of the year | 300,000 | 200,000 |

Provision for disputed claims represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters in dispute.



Ra



Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

10 Tangible Assets [Refer Notes 1(i) and 1(ii)]

| Particulars | Gross Block | | | Depreciation | | | Net Block | | |
|-------------------------------------|----------------------|---------------------------|---------------------------|----------------------|------------------------------|---------------------------|--|----------------------|----------------------|
| | As at March 31, 2014 | Additions during the year | Disposals during the year | As at March 31, 2015 | Depreciation during the year | Disposals during the year | Adjustment during the year Refer Note 10 (b) | Up to March 31, 2015 | As at March 31, 2014 |
| Buildings | 172,694,955 | - | - | 172,694,955 | 8,463,424 | 43,696,392 | - | 120,535,139 | 128,998,563 |
| Electrical Installations | 7,556,012 | - | - | 7,556,012 | 2,136,912 | 2,300,497 | - | 3,118,603 | 5,255,515 |
| Yard Equipments [Refer Note 10 (a)] | 88,048,177 | 135,845 | - | 88,184,022 | 11,840,575 | 28,073,968 | - | 48,269,479 | 59,974,209 |
| Office Equipments | 1,394,189 | 125,280 | - | 1,519,469 | 129,443 | 377,505 | 571,571 | 440,950 | 1,016,684 |
| Computers | 1,922,385 | 328,487 | - | 2,250,872 | 333,888 | 1,299,420 | 26,346 | 591,218 | 622,965 |
| Furniture and Fixtures | 2,391,956 | 97,647 | - | 2,489,603 | 653,785 | 1,189,048 | - | 646,770 | 1,202,908 |
| Vehicles | 132,318 | - | - | 132,318 | 13,548 | 13,359 | - | 105,411 | 118,959 |
| TOTAL | 274,139,992 | 687,259 | - | 274,827,251 | 23,574,575 | 76,950,189 | 597,917 | 173,707,570 | 197,189,803 |

| Particulars | Gross Block | | | Depreciation | | | Net Block | | |
|-------------------------------------|----------------------|---------------------------|---------------------------|----------------------|----------------------|---------------------------|----------------------------|----------------------|----------------------|
| | As at March 31, 2013 | Additions during the year | Disposals during the year | As at March 31, 2014 | Up to March 31, 2014 | Disposals during the year | Adjustment during the year | Up to March 31, 2014 | As at March 31, 2013 |
| Buildings | 160,853,454 | 11,841,501 | - | 172,694,955 | 8,073,299 | 35,623,093 | - | 43,696,392 | 125,230,361 |
| Electrical Installations | 5,458,846 | 2,097,166 | - | 7,556,012 | 348,700 | 1,951,797 | - | 2,300,497 | 3,507,049 |
| Yard Equipments [Refer Note 10 (a)] | 66,063,519 | 21,984,658 | - | 88,048,177 | 10,279,792 | 17,794,176 | - | 28,073,968 | 48,269,343 |
| Office Equipments | 1,136,845 | 303,973 | 46,629 | 1,394,189 | 66,497 | 328,474 | 17,466 | 377,505 | 808,371 |
| Computers | 1,890,836 | 31,549 | - | 1,922,385 | 159,680 | 1,139,740 | - | 1,299,420 | 751,096 |
| Furniture and Fixtures | 2,319,001 | 72,955 | - | 2,391,956 | 148,020 | 1,041,028 | - | 1,189,048 | 1,277,973 |
| Vehicles | 132,318 | - | - | 132,318 | 10,215 | 3,144 | - | 13,359 | 129,174 |
| TOTAL | 237,854,819 | 36,331,802 | 46,629 | 274,139,992 | 19,086,203 | 57,881,452 | 17,466 | 76,950,189 | 179,973,367 |

Notes:

(a) Yard Equipments includes Reach Stackers having Cost of Rs. 84,607,388 (Previous year: Rs. 84,607,388) and Net Book Value of Rs. 46,414,997 (Previous year: Rs. 57,931,699).

(b) Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for the accounting periods after April 1, 2014, the Company has re-worked depreciation with reference to the estimated economic lives of fixed assets prescribed by the Schedule II to the Act or actual useful life of assets, whichever is lower. For assets whose life has been completed as above, the carrying value, net of residual value aggregating Rs. 597,917 as at April 1, 2014 has been adjusted to General Reserve and in other cases the carrying value as at April 1, 2014 has been depreciated over the remaining life of the assets and recognised in the Statement of Profit and Loss. As a result the charge for depreciation is higher by Rs. 2,625,000 and profit from ordinary activities before tax is lower by the same amount.



Handwritten signature/initials.

Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

| | As at March 31, 2015 Rs. | As at March 31, 2014 Rs. |
|--|--------------------------------|--------------------------------|
| 11 Long-Term Loans and Advances | | |
| [Unsecured, Considered Good (unless otherwise stated)] | | |
| Tax Deducted at Source and Advance Tax [Refer Note 1(vii)] | 4,452,876 | - |
| [Net of Provision for Taxation Rs. 142,247,473 (Previous year: Rs. Nil)] | | |
| Security Deposits | 1,450,538 | 1,422,538 |
| Minimum Alternate Tax Credit Entitlement [Refer Note 28] | 128,000,000 | 86,000,000 |
| | 133,903,414 | 87,422,538 |
| 12 Trade Receivables | | |
| Unsecured, considered good: | | |
| - Debts outstanding for a period exceeding six months from the date they are due for payment | - | - |
| - Others | 139,637,357 | 98,100,346 |
| Unsecured, considered doubtful: | | |
| - Debts outstanding for a period exceeding six months from the date they are due for payment | 3,173,727 | 4,837,805 |
| - Others | 5,936,880 | 1,765,966 |
| Less: Provision for Doubtful Debts | (9,110,607) | (6,603,771) |
| | 139,637,357 | 98,100,346 |
| 13 Cash and Bank Balances | | |
| Cash and Cash Equivalents | | |
| Cash on Hand | 19,396 | 23,409 |
| Cheques on Hand | 1,768,996 | 1,994,414 |
| Bank Balances: | | |
| - Current Account | 6,148,759 | 14,300,787 |
| - Fixed Deposits with original maturity less than 3 months | 10,000,000 | - |
| | 17,937,151 | 16,318,610 |
| Other Bank Balances | | |
| - Long-Term Deposits with original maturity more than 3 months but less than 12 months | 15,000,000 | 201,100,000 |
| | 15,000,000 | 201,100,000 |
| | 32,937,151 | 217,418,610 |
| 14 Short-Term Loans and Advances | | |
| [Unsecured, Considered Good (unless otherwise stated)] | | |
| Prepaid Expenses | 174,136 | 144,519 |
| Balances with Government Authorities | 1,847,712 | 2,625,213 |
| | 2,021,848 | 2,769,732 |
| 15 Other Current Assets | | |
| [Unsecured, Considered Good (unless otherwise stated)] | | |
| Accrued Interest on Fixed Deposits with Banks | 99,897 | 3,854,524 |
| Accrued Ground Rent: | | |
| - Considered Good | 2,089,715 | 1,178,850 |
| - Considered Doubtful | 608,490 | 414,000 |
| Less: Provision for Doubtful Ground Rent | (608,490) | (414,000) |
| | 2,189,612 | 5,033,374 |



RN

Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

| | 2014-2015 | 2013-2014 |
|--|--------------------|--------------------|
| | Rs. | Rs. |
| 16 Revenue from Operations | | |
| [Refer Note 1(vi)] | | |
| Container Handling, Transport, Storage and Ground Rent Income [Refer Note (a) below] | 460,711,187 | 391,321,899 |
| Auction Sales | 4,339,437 | 1,653,328 |
| | 465,050,624 | 392,975,227 |
| (a) Details of Container Handling, Transport, Storage and Ground Rent Income | | |
| Container Ground Rent | 97,235,026 | 79,033,070 |
| Container Handling, Transport and Storage | 363,476,161 | 312,288,829 |
| Total | 460,711,187 | 391,321,899 |
| 17 Other Income | | |
| Interest on Fixed Deposits | 3,825,200 | 10,903,801 |
| Liabilities/ Provisions no Longer Required Written Back | - | 219,279 |
| Write Back of Provision for Doubtful Ground Rent | - | 11,346,150 |
| Miscellaneous Income | 960,956 | 1,709,301 |
| | 4,786,156 | 24,178,531 |
| 18 Operating Expenses | | |
| Transportation | 83,218,175 | 69,829,250 |
| Labour Charges | 49,734,727 | 58,218,234 |
| Sub Contract Charges | 28,631,388 | 24,051,500 |
| Equipment Hire Charges | 6,447,000 | 6,483,412 |
| Surveyors Fees | 4,114,050 | 3,612,650 |
| Port Detention Charges | 1,867,687 | 286,044 |
| Auction Expenses | 1,424,647 | 107,241 |
| | 175,437,674 | 162,588,331 |
| 19 Employee Benefits Expense | | |
| Salaries, Allowances and Bonus | 11,685,249 | 6,725,822 |
| Contribution to Provident and Other Funds (Refer Note 26) | 355,440 | 332,680 |
| Compensated Absences | 304,366 | 208,164 |
| Gratuity (Refer Note 26) | 199,867 | 91,654 |
| Staff Welfare Expenses | 59,059 | 103,500 |
| | 12,603,981 | 7,461,820 |
| 20 Finance Costs | | |
| Interest on Borrowings | 2,258,171 | 2,492,217 |
| Interest on Others | 128,200 | 311,369 |
| | 2,386,371 | 2,803,586 |
| 21 Other Expenses | | |
| Power and Fuel | 18,305,775 | 15,401,767 |
| Rent (Leasehold Land at Vizag CFS) | 1,821,537 | 1,734,798 |
| Rates and Taxes | 1,170,881 | 1,002,004 |
| Repairs and Maintenance: | | |
| - Building | 4,700,379 | 4,016,725 |
| - Plant and Equipment | 10,985,161 | 8,112,213 |
| - Containers | 297,145 | 41,200 |
| - Others | 746,941 | 461,415 |
| Insurance | 356,084 | 385,363 |
| Directors' Sitting Fees | 320,000 | 400,000 |
| Customs Cost Recovery | 107,940 | 109,002 |
| Printing and Stationery | 630,968 | 458,002 |
| Travelling and Conveyance | 1,716,503 | 1,977,004 |
| Bank Charges | 13,313 | 259,898 |
| Communication Expenses | 381,781 | 450,765 |
| Security Charges | 3,511,959 | 2,899,076 |
| Professional Fees | 462,144 | 671,060 |
| Auditors' Remuneration: | | |
| - As Auditors | 450,000 | 450,000 |
| - Reimbursement of Out-of-Pocket Expenses | 19,900 | 12,370 |
| Expenditure towards Corporate Social Responsibility (CSR) activities | 2,713,000 | - |
| Loss on Sale of Tangible Assets | - | 25,163 |
| Provision for Doubtful Debts | 2,506,836 | 3,457,027 |
| Provision for Doubtful Ground Rent | 194,490 | - |
| Miscellaneous Expenses | 354,449 | 447,763 |
| | 51,767,186 | 42,772,615 |



Rv



Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

22 Contingent Liabilities:

| Particulars | Rs. | |
|---|-------------|-------------|
| | 2014-2015 | 2013-2014 |
| Bank Guarantees and Continuity Bonds issued in favour of The President of India through the Commissioners of Customs | 825,000,000 | 825,000,000 |
| Disputed Income Tax Claims (including Interest and Penalty to the extent ascertainable) not acknowledged at debts [Refer Note 22 (a)] | 215,512,235 | 2,600,000 |

Note:

- (a) 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 and 2012-2013, 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. 11,415,080 and initiated proceedings to levy penalty.

On appeal filed by the Company against the aforesaid order for Assessment Year 2011-2012, Commissioner of Income Tax (Appeals) had not allowed the aforesaid deductions. The Company has appealed with Income Tax Appellate Tribunal against the order of Commissioner of Income Tax (Appeals). Pending conclusion of the appeal, the Company has deposited Rs. 1,300,000 till March 31, 2015.

Pending conclusion of the appeal with Commissioner of Income Tax (Appeals) for Assessment Year 2012-2013, the Company has deposited Rs. 1,500,000 till March 31, 2015. The Company has also filed Stay petition against the notice with the Income Tax Appellate Tribunal which is pending approval.

Based on the decision passed by Commissioner of Income Tax (Appeals) against the Company for Assessment Year 2011-2012, the Company has calculated an estimated tax liability of Rs. 181,477,100 for Assessment Year 13-14 to Assessment Year 15-16 on account of disallowance of deduction under Section 80-IA(4)(i) of the Income Tax Act.

Based on Tax Consultant's opinion, the Management is of the opinion that the Company is entitled to deduction under Section 80-IA(4)(i) of the Income Tax Act and hence, no provision for the aforesaid demand has been made till March 31, 2015.

23 Commitments:

Other Commitment:

The Company has non-cancellable operating lease till December 2030 for land used for Container Freight Station activities. Commitment of rent Rs. 43,983,986 (Previous year: Rs. 45,805,523).

24 Segment Reporting

Primary Segment

In accordance with Accounting Standard 17 - 'Segment Reporting', the Company has determined its business segment as "Container Freight Station". Since 100% of the Company's business is from Container Freight Station, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the Financial Statements as of and for the year April 1, 2014 to March 31, 2015.

Secondary Segment

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

25 Earnings Per Share

The number of shares used in computing Basic Earnings per Share (EPS) is the weighted average number of shares outstanding during the year. Since there are no potential dilutive shares, Basic and Diluted EPS are the same.

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2015 | March 31, 2014 |
| Profit Computation for both Basic and Diluted Earnings Per Share of Rs. 10 each: Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (in Rupees) | 203,782,143 | 230,972,951 |
| Weighted average number of Equity Shares for Earnings per Share computation: No. of Shares for Basic and Diluted Earnings Per Share | 8,000,000 | 8,000,000 |
| Earnings Per Share (in Rupees): Basic and Diluted | 25.47 | 28.87 |



Rw

Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

26 Disclosure for AS 15 (Revised)

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

I. Defined Contribution Plans:

- a. Provident Fund
- b. State Defined Contribution Plan
- Employer's Contribution to Employee's Pension Scheme 1995

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

Employers' Contribution to Provident Fund Rs. 355,440 (Previous year: Rs. 332,680)
[Includes Employers Deposit Linked Insurance plan charges and Employers contribution to Employees Pension scheme 1995.]

**II. Defined Benefit Plan:
Gratuity (Non Funded)**

In accordance with the Accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

| | (% per annum) | |
|---|---------------|-----------|
| | 2014-2015 | 2013-2014 |
| Discount rate | 7.99 | 9.33 |
| Rate of increase in Compensation Levels | 8.25 | 9.50 |

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

| | 2014-2015 | 2013-2014 |
|--|----------------|----------------|
| | Rs. | Rs. |
| Change in the Present Value of Obligation | | |
| Present Value of Obligation at the beginning of the year | 706,665 | 615,011 |
| Interest Cost | 65,932 | 49,201 |
| Current Service Cost | 130,254 | 138,418 |
| Past Service Cost | - | - |
| Curtailment Cost/ (Credit) | - | - |
| Settlement Cost/ (Credit) | - | - |
| Benefits Paid | - | - |
| Actuarial (Gain)/ Loss on Obligations | 3,681 | (95,965) |
| Present Value of Obligation at the end of the year | 906,532 | 706,665 |
| Amount recognised in the Balance Sheet | | |
| Present Value of Obligation as at end of the year | 906,532 | 706,665 |
| Liability recognised in the Balance Sheet | 906,532 | 706,665 |

| | 2014-2015 | 2013-2014 |
|--|----------------|---------------|
| | Rs. | Rs. |
| Expenses Recognised in the Statement of Profit and Loss | | |
| Current Service Cost | 130,254 | 138,418 |
| Past Service Cost | - | - |
| Interest Cost | 65,932 | 49,201 |
| Curtailment Cost/ (Credit) | - | - |
| Settlement Cost/ (Credit) | - | - |
| Net actuarial (Gain)/ Loss recognised in the year | 3,681 | (95,965) |
| Total Expenses recognised in the Statement of Profit and Loss | 199,867 | 91,654 |



Gateway East India Private Limited

Notes to Financial Statements for the year ended March 31, 2015

Details of Present Value of Obligation and Experience Adjustment:

| Particulars | 2014-2015 Rs. | 2013-2014 Rs. | 2012-2013 Rs. | 2011-2012 Rs. | 2010-2011 Rs. |
|--|------------------|------------------|------------------|------------------|------------------|
| Present value of obligation: - Non-funded | 906,532 | 706,665 | 615,011 | 372,949 | 237,218 |
| Experience Adjustments: (Gain)/ Loss on non-funded plan liabilities | 8,557 | (176,697) | 89,033 | 52,133 | 11,336 |
| (Gain)/ Loss on account of change in actuarial assumption | (4,876) | 80,732 | 38,587 | (12,584) | 96,275 |

Other Employee Benefit Plan:

The liability for compensated absences as at year end is Rs. 653,638 (Previous year: Rs. 538,022).

27 Related Party Disclosures

Related Party Disclosures, as required by Accounting Standard 18 – "Related Party Disclosures", are given below:

Holding Company

Gateway Distriparks Limited

Key Management Personnel

Mrs. Veena Nair, Company Secretary

| Particulars | Rs. | |
|--------------------------------------|-------------|-----------|
| | 2014-2015 | 2013-2014 |
| Transactions during the year: | | |
| Interim Dividend paid | 272,000,000 | - |
| Reimbursement of Payroll Cost | 355,440 | 332,680 |

28 Based on the certificate received from Visakhapatnam Port Trust, the Company would be eligible for deduction under Section 80-IA 4(i) of the Income Tax Act, 1961 of India (the "Income Tax Act"). The said deduction is available to the Company upto assessment year 2020-2021. Accordingly, the income-tax liability for the current financial year has been determined under "Minimum Alternate Tax" pursuant to Section 115JB of the Income Tax Act. Considering the balance term of Section 80-IA(4)(i) of the Income Tax Act and based on the assessment of future profitability, the Company has taken MAT credit of Rs. 42,000,000 during the current year, as MAT credit can be set-off against future tax liability. Accordingly, Rs. 128,000,000 is carried as "Loans and Advances" as at March 31, 2015.

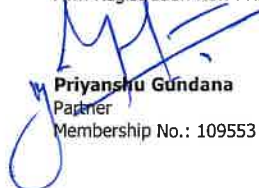
29 Expenditure in Foreign Currency

| Particulars | Rs. | |
|-------------------------|-----------|-----------|
| | 2014-2015 | 2013-2014 |
| Commission to Directors | 6,300,000 | 1,700,000 |
| Directors' Sitting fees | 120,000 | 100,000 |

30 Previous years figures have been regrouped to conform with current year's presentation, where applicable.

Signatures to Notes "1" to "30" forming part of these Financial Statements.

For **Price Waterhouse**
Chartered Accountants
Firm Registration No.: FRN 301112E


Priyanshu Gundana
Partner
Membership No.: 109553

Place: New Delhi
Date: April 29, 2015



For and on behalf of the Board of Directors

Gopinath Pillai
Director


Prem Kishan Gupta
Chairman


Veena Nair
Company Secretary

Place: New Delhi
Date: April 29, 2015