

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GATEWAY RAIL FREIGHT LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

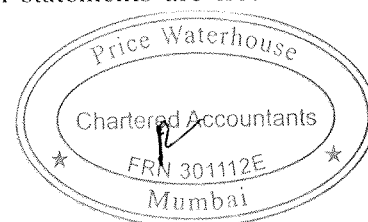
1. We have audited the accompanying standalone Ind AS financial statements of Gateway Rail Freight Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS 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 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.
5. We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.



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Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Gateway Rail Freight Limited

Report on the Standalone Ind AS Financial Statements

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6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 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 standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 26, 2016 and April 28, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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.



Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

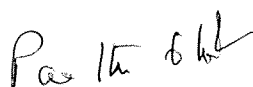
To the Members of Gateway Rail Freight Limited

Report on the Standalone Ind AS Financial Statements

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- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 31;
 - ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2017.
 - 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, 2017.
 - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 39.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Partha Ghosh
Partner
Membership Number: 055913

New Delhi
May 17, 2017

Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Gateway Rail Freight Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



Price Waterhouse

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

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Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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 standalone Ind AS financial statements.

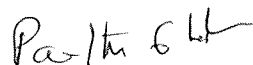
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Partha Ghosh
Partner
Membership Number: 055913

New Delhi
May 17, 2017

Price Waterhouse

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the standalone Ind AS financial statements, are held in the name of the Company, except for Land situated at Asaoti having gross and net block value of Rs. 2,033,943 as at year end, whose title deeds are not held in the Company's name in view of the agreement entered into by the Guardians' (Sellers) on behalf of the minor (Original owner).
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is 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, employees' state insurance, sales tax, income tax, duty of customs, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs and value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date. The Company does not have any loans or borrowings from Government, nor has it issued any debentures as at the balance sheet date.



Price Waterhouse

Chartered Accountants

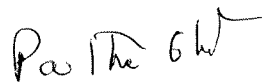
Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Gateway Rail Freight Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

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- ix. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

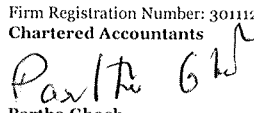


Partha Ghosh
Partner
Membership Number: 055913

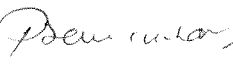
New Delhi
May 17, 2017


	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-Current Assets				
Property, plant and equipment	3	77,630.02	72,966.53	66,807.78
Capital work-in-progress	3	665.68	5,647.72	2,963.48
Other intangible assets	4	2,826.94	2,991.73	3,055.13
Investment in Joint Venture	5	-	-	-
Financial assets				
(i) Other Financial Assets	6(e)	468.56	524.58	224.12
Deferred Tax Assets (Net)	7	-	640.53	1,965.30
Other Non-Current Assets	8	1,078.32	1,009.18	1,038.74
Total Non-Current Assets		82,669.52	83,780.27	76,054.55
Current assets				
Financial assets				
(i) Investments	6(a)	30,153.58	13,811.55	8,100.00
(ii) Trade Receivables	6(b)	6,586.61	6,020.63	7,137.43
(iii) Cash and Cash Equivalents	6(c)	610.30	773.31	785.43
(iv) Bank Balances other than (iii) above	6(d)	204.97	306.18	561.32
(v) Other Financial Assets	6(e)	550.94	475.03	435.28
(vi) Loans	6(f)	-	-	-
Current tax assets (net)	9	443.74	174.41	150.65
Other Current Assets	10	537.30	780.65	662.67
Total Current Assets		39,087.44	22,341.76	17,832.78
TOTAL ASSETS		121,756.96	106,122.03	93,887.33
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	20,150.03	20,150.03	20,150.03
Instruments Entirely Equity in Nature	11 (B)	29,580.00	29,580.00	29,580.00
Other Equity				
Equity component of compound financial instruments		865.67	865.67	865.67
Reserve & Surplus	11 (C)	21,341.28	17,372.08	12,187.65
Total Equity		71,936.98	67,967.78	62,783.35
LIABILITIES				
Non-Current Liabilities				
Financial liabilities				
(i) Borrowings	12	38,153.83	31,052.70	23,442.35
Employee Benefit Obligations	13	443.38	329.86	405.12
Deferred Tax Liabilities (Net)	7	1,472.50	-	-
Total Non-Current Liabilities		40,069.71	31,382.56	23,847.47
Current liabilities				
Financial liabilities				
(i) Borrowings	14	1,155.84	-	653.92
(ii) Trade Payables	15	-	-	-
- Total Outstanding dues of Micro Enterprises and Small Enterprises		78.01	55.05	27.77
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		3,881.92	3,312.81	3,491.68
(iii) Other Financial Liabilities	16	4,105.49	2,853.98	2,723.73
Employee Benefit Obligations	13	78.29	90.07	39.60
Other Current Liabilities	17	450.72	459.78	319.81
Total Current Liabilities		9,750.27	6,771.69	7,256.51
TOTAL LIABILITIES		49,819.98	38,154.25	31,103.98
TOTAL EQUITY AND LIABILITIES		121,756.96	106,122.03	93,887.33

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


For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No.: 055913

For and on behalf of the Board of Directors


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


Sachin Surendra Bhanushali
Director and Chief Executive Officer
DIN:- 01479918


B. K. Sahoo
Chief Finance Officer


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

Place: New Delhi
Date: MAY 17, 2017

Place: NEW DELHI
Date: MAY 17, 2017

Place: NEW DELHI
Date: MAY 17, 2017

GATEWAY RAIL FREIGHT LIMITED
Statement of Profit and Loss for the year ended 31 March 2017
(All amounts in Lakhs, unless otherwise stated)

	Notes	Year Ended 31 March 2017 Rupees in Lakhs	Year Ended 31 March 2016 Rupees in Lakhs
Continuing Operations			
Revenue From Operations	18	76,337.09	74,316.32
Other Income	19	2,084.01	769.16
Total Income		78,421.10	75,085.48
EXPENSES			
Operating Expenses	20	56,134.79	53,084.81
Employee Benefits Expenses	21	2,474.32	2,209.95
Finance Costs	23	2,697.12	2,231.81
Depreciation and Amortisation Expenses	22	5,049.34	4,988.43
Other Expenses	24	4,585.74	4,244.21
Total Expenses		70,941.31	66,759.21
Profit before tax from continuing operations		7,479.79	8,326.27
Income Tax Expense	25		
-- Current Year		1,365.19	1,849.54
-- Deferred Tax		2,124.24	1,313.52
Total Tax Expense		3,489.43	3,163.06
Profit for the year		3,990.36	5,163.21
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(32.36)	32.45
Income tax relating to the above		11.20	(11.23)
Other Comprehensive Income for the year, net of tax		(21.16)	21.22
Total Comprehensive Income for the year		3,969.20	5,184.43
Earnings per equity share	33		
-- Basic and Diluted earnings per share		0.99	1.29

The above statement of profit and loss should be read in conjunction with the accompanying notes.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Partha Ghosh
Partha Ghosh
Partner
Membership No.: 055913

For and on behalf of the Board of Directors

Prem Kishan Dass Gupta

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

B. K. Sahoo
B. K. Sahoo
Chief Finance Officer

Sachin Surendra Bhanushali

Sachin Surendra Bhanushali
Director and
Chief Executive Officer
DIN:- 01479918

Nandan Chopra

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

Place: New Delhi
Date: **MAY 17, 2017**

Place: New Delhi
Date: **MAY 17, 2017**

Statement of changes in equity

A Equity Share Capital

Particulars	Notes	Amount
As at 01 April 2015		20,150.03
Changes in equity share capital	11	-
As at 31 March 2016		20,150.03
Changes in equity share capital	11	-
As at 31 March 2017		20,150.03

B Instruments entirely equity in nature - Compulsory Convertible Preference Shares

Particulars	Notes	Amount
As at 01 April 2015		29,580.00
As at 31 March 2016	11	29,580.00
As at 31 March 2017	11	29,580.00

C OTHER EQUITY

Particulars	Equity component of compound financial instrument (refer note (i) below)	Reserves & Surplus		Total
		Security Premium Reserve	Retained Earnings	
Balance as at 1 April 2015	865.67	132.05	12,055.60	13,053.32
Profit for the year	-	-	5,163.21	5,163.21
Other comprehensive income	-	-	21.22	21.22
Total comprehensive income for the year	-	-	5,184.43	5,184.43
Balance as at 31 March 2016	865.67	132.05	17,240.03	18,237.75
Balance as at 1 April 2016	865.67	132.05	17,240.03	18,237.75
Profit for the year	-	-	3,990.36	3,990.36
Other comprehensive income	-	-	(21.16)	(21.16)
Total comprehensive income for the year	-	-	3,969.20	3,969.20
Balance as at 31 March 2017	865.67	132.05	21,209.23	22,206.95

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

As per our report of even date attached

For Price Waterhouse
Chartered Accountants
Firm Registration Number 301112E

Partha Ghosh

Partha Ghosh
Partner
Membership No.: 055913

For and on behalf of the Board of Directors

Prem Kishan Dass Gupta

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

Sachin Surendra Bhanushali

Sachin Surendra Bhanushali
Director and Chief Executive Officer
DIN:- 01479918

B. K. Sahoo

B. K. Sahoo
Chief Finance Officer

Nandan Chopra

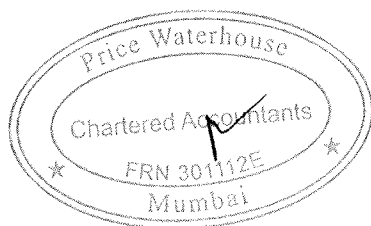
Nandan Chopra
Vice President (Finance and Accounts) and
Company Secretary

Place: NEW DELHI
Date: MAY 17, 2017

Place: NEW DELHI
Date: MAY 17, 2017

GATEWAY RAIL FREIGHT LIMITED
Cash Flow Statement for the year ended 31 March 2017

	Year Ended 31 March 2017 Rupees in Lakhs	Year Ended 31 March 2016 Rupees in Lakhs
A. Cash flow from operating activities:		
Profit Before income tax from		
Continuing Operations	7,479.79	8,326.27
Discontinued operations	-	-
Adjustments for:		
Depreciation and amortisation expense	5,049.34	4,988.43
Provision for Doubtful Debts (Net)	75.00	11.05
Provision for Doubtful Ground Rent (Net)	(30.90)	22.26
Provision for Doubtful Advances	135.69	-
Gain on disposal of property, plant and equipment (Net)	-	(38.76)
Gain on sale of investments (Net)	(207.33)	(14.52)
Changes in fair value of financial assets at fair value through profit or loss	(1,246.69)	(1.08)
De-recognition of property, plant and equipment	23.89	38.65
Finance Costs	2,697.13	2,231.81
Dividend Income classified as investing cash flows	(350.96)	(533.99)
Interest Income classified as investing cash flows	(40.42)	(55.74)
Net exchange differences	(30.81)	-
Liabilities/ Provisions no Longer Required Written Back	(60.47)	(48.19)
Operating Profit before working capital changes	13,493.26	14,926.20
Change in Operating assets and liabilities:		
- (Increase)/ Decrease in Trade Receivables	(640.98)	1,105.76
- Increase/ (Decrease) in Trade Payables	652.56	(103.41)
- (Increase)/ Decrease in Other Financial Assets	50.14	(100.17)
- (Increase)/ Decrease in Other Current Assets	243.35	(117.97)
- (Increase)/ Decrease in Other Non Current Assets	(17.30)	1.30
- (Increase)/ Decrease in Other Bank Balances Not considered as Cash and Cash Equivalents	101.20	255.14
- Increase/ (Decrease) in Employee Benefit Obligation	69.36	7.67
- Increase/ (Decrease) in Other Financial Liabilities	3.53	196.40
- Increase/ (Decrease) in Other Current Liabilities	(9.06)	139.98
Cash generated from operations	13,946.06	16,310.89
- Income Taxes Paid	1,745.28	2,017.87
Net cash inflow from operating activities (A)	12,200.78	14,293.02
B. Cash flow from investing activities :		
Payments for Property, Plant and equipment	(4,727.83)	(13,078.49)
Payments for other intangible assets	(100.00)	(200.00)
Proceeds from sale of Property, Plant and equipment	-	38.76
(Increase)/ Decrease in Fixed Deposits with Banks	(107.26)	(301.60)
Payments for purchase of Investments	(28,906.90)	(18,330.00)
Proceeds from sale of Investments	14,369.84	13,168.04
Interest Received	25.17	95.04
Net cash outflow from investing activities (B)	(19,446.98)	(18,608.25)
C. Cash flow from financing activities :		
Proceeds of Long-Term Borrowings	9,400.22	13,450.00
Repayment of Long-Term Borrowings	(1,826.25)	(6,680.00)
Proceeds of Short-Term Borrowings	463.91	-
Repayment of Short-Term Borrowings	-	(1,222.38)
Interest Paid	(1,673.91)	(1,244.51)
Net cash inflow from financing activities (C)	6,363.97	4,303.11
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	(882.24)	(12.12)
Cash and Cash Equivalents at the beginning of the year	773.31	785.43
Cash and Cash Equivalents at the end of the year	(108.93)	773.31
Net Decrease in Cash and Cash Equivalents	(882.24)	(12.12)



GATEWAY RAIL FREIGHT LIMITED
Cash Flow Statement for the year ended 31 March 2017

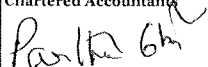
Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and Cash Equivalents as per above comprise of the following	Year Ended 31 March 2017 Rupees in Lakhs	Year Ended 31 March 2016 Rupees in Lakhs
Cash and Cash Equivalents	9.62	4.62
Bank Overdrafts	(719.23)	-
Bank Balance in Current Account	600.68	768.69
Bank Deposits with maturity of period less than 3 months	-	-
Balances per statement of cash flows	<u>(108.93)</u>	<u>773.31</u>

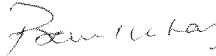
Notes:

1. Previous year's figures have been regrouped/ rearranged wherever necessary.

In terms of our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Partha Ghosh
Partner
Membership No.: 055913

For and on behalf of the Board of Directors



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



B. K. Sahoo
Chief Finance Officer



Sachin Surendra Bhanushali
Director and
Chief Executive Officer
DIN:- 01479918



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

Place: New Delhi
Date: **MAY 17, 2017**

Place: New Delhi
Date: **MAY 17, 2017**

Background

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

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 comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial statements are the first financial statements of the company under Ind AS. Refer note 36 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis. Except for the following.

-- Certain financial assets and liabilities that is measured at fair value.

(b) Investment in Joint Venture

Investment in Joint Venture are carried at cost in the separate financial statements.

Transition to Ind AS

Ind AS 101 permits a first - time adopter to elect to continue with the carrying value for its investment in joint venture recognised in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost of investment.

(c) 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 Managing Director of the company. The company has identified one reportable segment "Rail Logistics Business" 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 March 31, 2017.

(d) 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 Gateway Rail Freight Limited'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 transaction. 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 profit or 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 or loss on a net basis within other gains/ (losses).

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:

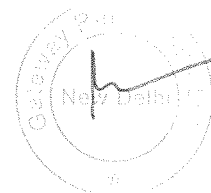
Long Term foreign currency monetary item taken upto 31 March 2016 on depreciable assets:

• 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 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.



(e) 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.

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 the 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 specific of each arrangement.

(i) Income from Rail transportation is recognised on the basis of actual journey completed as at year end as a proportion to the total time taken for completion of journey (percentage completion method).

(ii) Income from Road transportation is recognised on the basis of actual days travelled as at year end as a proportion to the total days required to complete the journey (percentage completion method).

(iii) Income from Container Handling and Storage is recognised on the basis of percentage completion of the activity on container/ cargo. Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station/ Inland Container Depot. However, in case of long standing containers, Income from Ground Rent is not accrued for a period beyond 60 days on a consistent basis as per the prevailing business practice.

(iv) Income from auction is recognised when the company auctions long-standing cargo that has not been cleared by customer. Revenue and expenses for Auction are recognised when auction is completed after obtaining necessary approvals from appropriate authorities. Auction include recovery of the cost incurred in conducting auctions, custom duties on long-standing cargo and accrued ground rent and handling charges relating to long-standing cargo. Surplus, out of auctions, if any, after meeting all expenses and the actual ground rent, is credited to a separate account 'Auction Surplus' and is shown under the head 'Other Current Liabilities'. Unclaimed Auction Surplus, if any, in excess of period specified under the Limitations Act is written back as 'Income' in the following financial year.

(f) 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.

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 operates and 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 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 interest in joint arrangement 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 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 profit or 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.

(g) Leases:

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the lessee are classified as operating lease. Payment made under operating lease (net of any incentive received from the lessor) are charged to profit or 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 increase.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight - line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(h) Impairment of assets

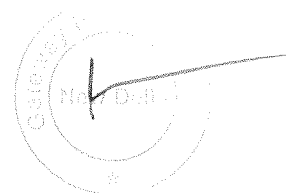
Intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate 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.

(i) 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 overdrafts. Bank overdrafts are shown within borrowing in Short term borrowings on current liabilities in the balance sheet.

(i) Trade Receivable

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



(k) 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 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 profit or loss or other comprehensive income. For investment in debt instrument, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(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 profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the assets and cash flows characteristic. There are three measurement categories into which the company classifies its debt instruments.

1. Amortised Cost: Assets that are held for collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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 profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

3. Fair Value through profit or loss: 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 hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) 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 on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instrument. 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) Derecognition of financial assets

A financial asset 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.

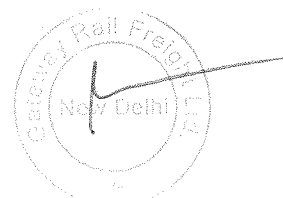
(v) Income recognition

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

Dividends: Dividends are recognised when the right to receive payment is established.

(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 asset 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 asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, or, in case of certain assets, the remaining estimated useful life is as follows:

- Reach Stackers and forklifts (included in Other Equipment's) are depreciated over a period of ten years, based on the technical evaluation;
- Containers and Reefer Power Packs (included in Rolling Stocks- Containers and Reefer Power Packs) are depreciated over a period of ten years, based on the technical evaluation;
- Leasehold Improvements are amortised over non-cancellable lease period; and
- Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition/ construction.

The useful lives have been determined based on technical evaluation done by the management which are lower than those specified by schedule II to the companies Act 2013, in order to reflect the actual usage of the assets. Company carries Nil residual value for all assets. The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

(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 company consist of Rail Licence Fees, PFT Licence Fees, Technical Know-How and Computer Software.

The company amortises Intangible Assets with a finite useful life using the straight-line method over the following periods:

- Rail License fees paid towards concession agreement, is being amortised over a period of agreement (i.e. 20 years) from the date of commencement of commercial operations;
- Private Freight Terminal (PFT) Licence fees paid to Railway Administration is amortised over the period of contract (i.e. 30 years).
- Technical Know-How, is amortised over a period of agreement (i.e. 5 years) from the date of technology being put to use or over balance period of agreement from the date of commencement of the commercial operations, whichever is later;
- Computer Software is amortised under straight line method over a period of five years.

Transition to Ind AS

On the transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(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 fair value and subsequently measured at amortised cost using effective interest method.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost 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 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.

The fair value of the liability portion of the zero coupon redeemable preference share is determined using a market rate for an equivalent instrument. This amount is recorded as liability on amortised cost basis until extinguished on redemption of preference share. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

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 profit or loss as other gains/ (losses).

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 asset 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.

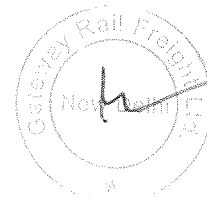
Other borrowing costs are expensed in the period in which they are incurred.

(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 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 obligation

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 employee render the related service are recognised in profit and loss in respect of employees service up to the end of reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligation in the balance sheet.

(ii) Other long term employee benefit obligations

The liabilities for the earned leave and sick leave are not expected to be settled wholly within the 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 payment to be made in respect of services provided by employees up to end of the reporting period using projected unit credit method (PUC method). The benefits are discounted using the market yields at the end of the reporting period that have approximating to the terms of the related obligation. Remeasurements as a result of experience adjustment and changes in actuarial assumptions are recognised in profit or loss.

(iii) Post employment obligation

The company operates the following post-employment schemes:

- Defined benefit plans such as gratuity; and
- Defined contribution plan 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 benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows 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 balance of defined benefit obligations. This cost is included in employee benefit expenses in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments 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 profit or loss as past service cost.

Defined Contribution Plans

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

(iv) Bonus Plan

The company recognises a 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.

(t) 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.

(u) Compound Financial Instrument

Compound financial instrument issued by the Company comprises of compulsorily redeemable non-convertible preference shares. Compound financial instruments are split into separate equity and liability components. The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have discretionary dividend feature/ off market interest rate. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Interest related to the liability component of compound instrument is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

(v) Earnings per Share:

(i) Basic earnings per share

Basic earning per share is calculated by dividing:

- 1) The profit attributable to the owner of the company
- 2) by the weighted average number of equity share outstanding during the financial year.

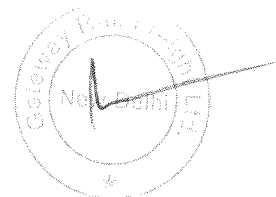
(ii) Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic 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) Rounding of amounts

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



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 31).

-- Estimated useful life of 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 Notes 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 employment 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 13 for the details of the assumptions used in estimating the defined benefit obligation.

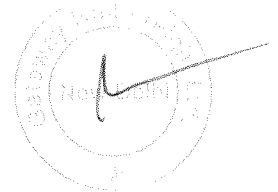
-- Impairment of trade receivables

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 27.

-- 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 see Note 26.

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 RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land [Refer Note (a) below]	Buildings	Railway Sidings [Refer Note (b) below]	Plant and Machinery	Other Equipments [Refer Notes (c) and (c) below]	Office Equipments	Computers	Furniture and Fittings	Leasehold Improvements	Motor Vehicles [Refer Note (d) below]	Rolling Stockers- Containers and Reefer Power Packs	Rolling Stockers- Rakes & Brake Van	Electrical Installations and Equipment	Total	Capital Work in progress [Refer Note (f) below]
Year ended 31 March 2016															
Deemed cost as at 01 April 2015	31,288.64	16,112.00	4,463.45	172.99	2,444.53	131.20	314.02	794.41	5.68	806.67	1,174.13	1,111.91	66,807.78	2,991.48	
Exchange differences	-	-	-	-	172.43	-	-	-	-	-	-	-	172.43	-	
Additions	2,634.63	642.56	-	1.91	83,338	15.71	32.55	42.41	-	-	-	10.48	8,268.63	5,105.61	
Disposals	-	-	-	-	(4,230)	-	-	-	-	-	-	-	(41.29)	-	
Transfers	-	245.26	11.66	-	39,305	6.92	37.07	92.06	-	591.65	-	18.30	2,481.37	(2,481.37)	
Closing gross carrying amount	28,724.27	17,499.91	4,475.11	174.90	3,648.60	147.25	384.54	928.88	5.68	806.67	1,174.13	1,140.69	77,685.92	5,647.72	
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation charge during the year	-	759.64	402.87	13.53	528.22	64.03	129.86	120.24	5.68	145.71	314.48	162.32	4,276.91	-	
Closing accumulated depreciation and impairment	-	759.64	402.87	13.53	522.58	64.03	129.86	120.24	5.68	145.71	314.48	162.32	4,276.91	-	
Net Carrying amount	-	16,740.27	4,072.24	161.37	3,126.02	83.80	254.68	808.64	-	659.96	859.65	978.37	72,966.53	5,647.72	
Year ended 31 March 2017															
Gross Carrying amount	28,724.27	17,499.91	4,475.11	174.90	3,648.60	147.25	384.54	928.88	5.68	806.67	1,174.13	1,140.69	77,685.92	5,647.72	
Opening gross carrying amount	28,724.27	17,499.91	4,475.11	174.90	3,648.60	147.25	384.54	928.88	5.68	806.67	1,174.13	1,140.69	77,685.92	5,647.72	
Exchange differences	-	-	-	-	(72.94)	-	-	-	-	-	-	-	-	(72.94)	
Additions	9.79	50.36	-	5.76	63,462	17.60	20.48	21.22	-	61.37	-	1.89	261.98	4,298.45	
Disposals	-	-	-	-	(2,462)	-	-	-	-	-	-	-	-	-	
Transfers	2,081.20	3,074.04	2,875.11	139.56	623.32	55.10	6.14	77.40	-	2.59	-	395.82	9,280.49	(9,280.49)	
Closing gross carrying amount	30,815.26	20,633.31	7,350.22	320.22	4,225.56	220.71	417.16	1,029.59	5.68	867.64	1,174.13	1,528.40	87,129.18	665.68	
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Opening accumulated depreciation and impairment	-	759.64	402.87	13.53	522.58	64.03	129.86	120.24	5.68	145.71	314.48	162.32	4,276.91	-	
Depreciation charge during the year	-	816.84	419.18	20.87	509.86	48.02	195.02	128.82	-	145.09	314.48	167.34	4,284.52	-	
Closing accumulated depreciation and impairment	-	1,576.48	822.05	34.40	1,032.44	112.05	234.88	249.06	5.68	290.79	628.96	329.66	8,499.16	-	
Net Carrying Amount	30,815.26	19,056.83	6,528.17	285.82	3,193.12	107.79	182.28	780.53	-	576.85	545.17	1,198.74	77,630.02	865.68	

Notes:

- a) Land situated at Asotli aggregating Rs. 20.34 Lakhs (Previous Year: Rs. 20.34 Lakhs) is yet to be transferred in the name of the Company.
- b) Certain railway sidings are constructed on land not owned by the Company.
- c) Other Equipments include Road, Stackers of gross carrying amount is Rs. 8,526.81 Lakhs (Previous Year: Rs. 3,061.00 Lakhs) and having Net Book Value Rs. 2,652.29 Lakhs (Previous Year: Rs. 2,652.29 Lakhs). Deemed cost as on 1 April 2015 is Rs. 1,832.76 Lakhs.
- d) Motor Vehicles include Trailers of gross carrying amount is Rs. 790.26 Lakhs (Previous Year: Rs. 790.26 Lakhs) and having Net Book Value Rs. 290.02 Lakhs (Previous Year: Rs. 646.64 Lakhs). Deemed cost as on 1 April 2015 is Rs. 790.26 Lakhs.
- e) Exchange (Gain) / Loss on revaluation of Long Term foreign currency borrowing availed upto the date of transition to Ind AS has been adjusted to the cost of respective fixed asset in accordance with the optional exemption granted under para D 33AA of Ind AS 01. Refer Note 36. Accordingly, Exchange (Gain) / Loss amounting to Rs. (72.54 Lakhs) (Previous Year: Loss of Rs. 172.43 Lakhs) has been adjusted to the cost of the asset.
- f) Capital work-in-progress

Capital work in progress mainly comprises Rail line No. 3 constructed at Sahnewal.

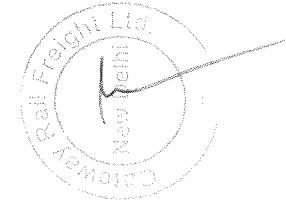
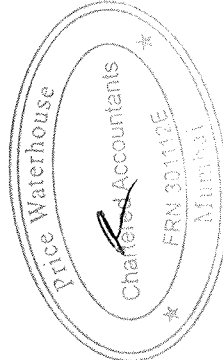
Addition during the year in capital work in progress includes borrowing costs amounting to Rs. 453.93 Lakhs (Previous Year: Rs. 114.31 Lakhs)

g) Property, plant and equipment pledged as security

Refer to note 35 for information on property, plant and equipment pledged as security by the company.

h) Contractual obligations

Refer to note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



4 OTHER INTANGIBLE ASSETS

Particulars	Rail License Fees [Refer Note (a) below]	PFT Licence Fees [Refer Note (b) below]	Computer Software [Refer Note (c) below]	Total
Year ended 31 March 2016				
Gross Carrying amount				
Deemed cost as at 1 April 2015	3,041.67	-	13.46	3,055.13
Additions during the year	-	200.00	-	200.00
Closing gross carrying amount	3,041.67	200.00	13.46	3,255.13
Accumulated amortisation and impairment				
Amortisation charge for the year	250.00	6.67	6.73	263.40
Closing accumulated amortisation and impairment	250.00	6.67	6.73	263.40
Closing net carrying amount	2,791.67	193.33	6.73	2,991.73
Year ended 31 March 2017				
Gross Carrying amount				
Opening gross carrying amount	3,041.67	200.00	13.46	3,255.13
Additions during the year	-	100.00	-	100.00
Closing gross carrying amount	3,041.67	300.00	13.46	3,355.13
Accumulated amortisation and impairment				
Opening accumulated amortisation	250.00	6.67	6.73	263.40
Amortisation charge for the year	250.00	8.06	6.73	264.79
Closing accumulated amortisation and impairment	500.00	14.73	13.46	528.19
Closing net carrying amount	2,541.67	285.27	-	2,826.94

Notes:

a) Rail License Fees aggregating Rs. 5,000.00 Lakhs (Previous Year: Rs. 5,000.00 Lakhs) paid to Railway Administration towards Concession Agreement is amortised over the period of contract (i.e. 20 years) from date of commencement of commercial operations (June 1, 2007). Balance useful life of Rail License Fees as at March 31, 2017 is 10 years and 2 months (Previous Year: 11 years 2 months).

b) Private Freight Terminal (PFT) Licence fees aggregating Rs. 300 Lakhs (Previous Year: Rs. 200 Lakhs) paid to Railway Administration is amortised over the period of contract (i.e. 30 years).

c) Computer software consists of cost of ERP licences and development cost. Useful life of Computer software is estimated to be 5 years, based on technical obsolescence of such assets.

Technical Know-How, amounting to Rs. 1,000 Lakhs has been amortised over the period of agreement (i.e. 5 years) from the date of technology being put to use or over balance period of agreement from the date of commencement of the commercial operations, whichever is later. Accordingly, Net carrying value as on 31 March 2015 under previous GAAP is NIL. In accordance with the optional exemption availed under Ind AS 101 (Refer Note 36), Deemed Cost of Technical Know How as on 1 April 2015 has been considered as NIL.



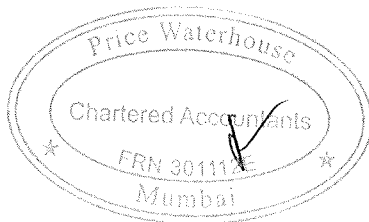
5 NON-CURRENT INVESTMENTS

	As at 31 March 2017 Rupees in Lakhs	As at 31 March 2016 Rupees in Lakhs	As at 01 April 2015 Rupees in Lakhs
Investment in equity instruments			
<i>Unquoted Equity Instruments (At cost)</i>			
50,997 Equity Shares (31 March 2016: 50,997, 1 April 2015: 50,997) of Rs. 10 each held in Container Gateway Limited.	-	-	-
Aggregate amount of unquoted investment	-	-	-
Aggregate amount of impairment in value of investment	-	-	-

6 FINANCIAL ASSETS

6(a) CURRENT INVESTMENTS

	As at 31 March 2017 Rupees in Lakhs	As at 31 March 2016 Rupees in Lakhs	As at 01 April 2015 Rupees in Lakhs
Investment in Mutual Fund at Fair value through Profit and Loss Account (Unquoted)			
33,849,283 units (31-March-16 : Nil Units, 01-April-15 : 425,527,354 units) UTI Treasury Advantage Fund - Institutional Plan - Growth, NAV Rs. 2,255,3818 (31-March-16 Rs. NA, 01-April-15 Rs. : 1,903,5204)	763.43	-	8,100.00
1,240,206,158 units (31-March-16 : Nil Units, 01-April-15 : Nil units) UTI Short-term Income Fund - Institutional Option - Direct Plan - Growth, NAV Rs. 20,323 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	252.05	-	-
Nil units (31-March-16: 643,041,175 units, 01-April-15 : Nil units) Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend -Re-investment, NAV Rs. NA (31-March-16 Rs. 1,008,8997, 01-April-15 Rs. : NA)	-	6,487.64	-
485,781,266 units (31-March-16: Nil units, 01-April-15 : Nil units) Baroda Pioneer Treasury Advantage Fund - Plan B Growth, NAV Rs. 1,922,3966 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	9,338.63	-	-
Nil units (31-March-16: 670,583,76 units, 01-April-15 : Nil units) ICICI Prudential Flexible Fund - Direct Plan - Daily Dividend, NAV Rs. NA (31-March-16 Rs. 105,7358, 01-April-15 Rs. : NA)	-	709.05	-
Nil units (31-March-16: 636,246,59 units, 01-April-15 : Nil units) Kotak Low Duration fund - Direct Plan - Monthly Dividend Re-investment, NAV Rs. NA (31-March-16 Rs. 1,039,6685, 01-April-15 Rs. : NA)	-	6,614.86	-
24,674,507 units (31-March-16: Nil units, 01-April-15 : Nil units) Kotak Low Duration fund - Direct Plan - Growth, NAV Rs. 2,030,5832 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	501.04	-	-
5,668,673,061 units (31-March-16: Nil units, 01-April-15 : Nil units) Kotak Bond Short Term Fund Direct Growth, NAV Rs. 31,6408 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	1,793.61	-	-
31,445,477 units (31-March-16: Nil units, 01-April-15 : Nil units) Birla Sun Life Savings Fund - Growth -Direct Plan, NAV Rs. 320,1108 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	100.66	-	-
5,485,033,800 units (31-March-16: Nil units, 01-April-15 : Nil units) Birla Sun Life Short Term Fund - Growth -Direct Plan, NAV Rs. 62,5432 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	3,430.52	-	-
3,020,811,173 units (31-March-16: Nil units, 01-April-15 : Nil units) Birla Sun Life Floating Rate Fund - Long Term - Growth - Direct Plan, NAV Rs. 200,6473 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	6,061.17	-	-
10,317,923,306 units (31-March-16: Nil units, 01-April-15 : Nil units) Reliance Short Term Fund - Direct Plan - Growth Option , NAV Rs. 31,6007 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	3,260.54	-	-
8,693,763,416 units (31-March-16: Nil units, 01-April-15 : Nil units) SBI Short Term Debt Fund - Direct Plan - Growth, NAV Rs. 19,2312 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	1,671.92	-	-
4,541,151,493 units (31-March-16: Nil units, 01-April-15 : Nil units) Franklin India Ultra Short Bond Super Inst Direct - Growth NAV Rs. 22,3297 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	1,014.03	-	-
6,978,100,685 units (31-March-16: Nil units, 01-April-15 : Nil units) DSP BlackRock Ultra Short Term Direct - Growth, NAV Rs. 11,0077 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	830.93	-	-
3,102,464,048 units (31-March-16: Nil units, 01-April-15 : Nil units) HDFC Floating Rate Income ST Wholesale - Direct Growth Option, NAV Rs. 28,3595 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	879.84	-	-
1,922,093,109 units (31-March-16: Nil units, 01-April-15 : Nil units) HDFC Banking & PSU Debt Fund - Direct Growth Option, NAV Rs. 13,2777 (31-March-16 Rs. NA, 01-April-15 Rs. : NA)	255.21	-	-
	30,153.58	13,811.55	8,100.00
Aggregate amount of quoted investment and market value thereof	30,153.58	13,811.55	8,100.00
Aggregate amount of impairment in value of investment	-	-	-



6(b) TRADE RECEIVABLES

	As at 31 March 2017 Rupees in Lakhs	As at 31 March 2016 Rupees in Lakhs	As at 01 April 2015 Rupees in Lakhs
Trade receivables	7,436.76	6,799.04	7,904.80
Receivables from related parties	3.26	-	-
Less: Allowance for Doubtful Debts	(853.41)	(778.41)	(767.37)
Total Receivables	6,586.61	6,020.63	7,137.43
Current Portion	6,586.61	6,020.63	7,137.43
Non-current portion	-	-	-
Break-up of security details			
Secured, considered good	-	-	-
Unsecured, considered good	6,586.61	6,020.63	7,137.43
Doubtful	853.41	778.41	767.37
Total	7,440.02	6,799.04	7,904.80
Less: Allowance for Doubtful Debts	(853.41)	(778.41)	(767.37)
Total Trade Receivables	6,586.61	6,020.63	7,137.43

6(c) CASH AND CASH EQUIVALENTS

Balances with Banks:-			
- In Current Account	600.68	768.69	772.68
Cash on Hand	9.62	4.62	12.75
Total Cash And Cash Equivalents	610.30	773.31	785.43

6(d) OTHER BANK BALANCES

Bank deposits with original maturity period of more than 3 months but less than 12 months [Refer Note (a) below]	204.97	306.18	561.32
	204.97	306.18	561.32

Note (a): Fixed Deposits aggregating Rs. 204.97 Lakhs (31 March 2016: Rs. 292.19 Lakhs 01 April 2015: Rs. 520.44 Lakhs) are under lien with Banks towards guarantees and Letter of Credit issued by them.

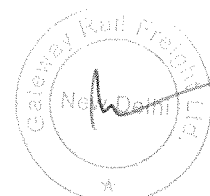
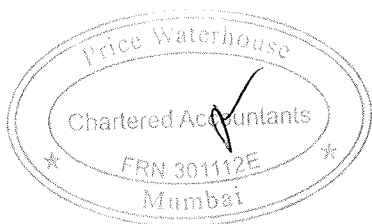
6(e) OTHER FINANCIAL ASSETS

	As at 31 March 2017		As at 31 March 2016		As at 01 April 2015	
	Current	Non-current	Current	Non-current	Current	Non-current
Security Deposits						
Considered Good	110.68	208.21	110.74	193.47	135.36	194.61
Considered Doubtful	-	2.00	-	2.00	-	2.00
Less: Provision for Doubtful Deposits	110.68	210.21	110.74	195.47	135.36	196.61
	-	2.00	-	2.00	-	2.00
	110.68	208.21	110.74	193.47	135.36	194.61
Bank deposits with original maturity period more than 12 months [Refer Note (a) below]	178.02	260.35	-	331.11	-	29.51
Advances to Related Party						
Considered Good	0.97	-	0.29	-	0.08	-
Considered Doubtful	2.17	-	2.17	-	2.17	-
Less: Provision for Doubtful Advances	3.14	-	2.46	-	2.25	-
	2.17	-	2.17	-	2.17	-
	0.97	-	0.29	-	0.08	-
Accrued Ground Rent						
-- Considered Good	20.22	-	15.73	-	20.74	-
-- Considered Doubtful	87.28	-	118.18	-	95.92	-
Less: Provision for Doubtful Ground Rent	107.50	-	133.91	-	116.66	-
	87.28	-	118.18	-	95.92	-
	20.22	-	15.73	-	20.74	-
Unbilled Revenue						
-- Considered Good	62.09	-	184.56	-	76.09	-
-- Considered Doubtful	83.38	-	-	-	-	-
Less: Provision for Unbilled Revenue	145.47	-	184.56	-	76.09	-
	83.38	-	-	-	-	-
	62.09	-	184.56	-	76.09	-
Interest Accrued but not due on Fixed Deposits with Banks	30.02	-	14.77	-	54.07	-
Advances Recoverable in Cash	148.94	-	148.94	-	148.94	-
	550.94	468.56	475.03	524.58	435.28	224.12

Note (a): Fixed Deposits aggregating Rs. 411.45 Lakhs (31 March 2016: Rs. 292.16 Lakhs, 01 April 2015: Rs. 0.058 Lakhs) are under lien with Banks towards guarantees and Letter of Credit issued by them.

6(f) LOANS

Loan to Customers					
-- Considered Good	-	-	-	-	-
-- Considered Doubtful	50.00	-	50.00	-	50.00
	50.00	-	50.00	-	50.00
Less: Allowances for Doubtful Loans	50.00	-	50.00	-	50.00
	-	-	-	-	-



7 DEFERRED TAX ASSETS/ (LIABILITIES)

	As at 31 March 2017 Rupees in Lakhs	As at 31 March 2016 Rupees in Lakhs	As at 01 April 2015 Rupees in Lakhs
Deffered Tax Assets:			
Provision for Doubtful Debts and Advances	140.69	334.53	330.97
Other Items			
-- Provision for Gratuity & Leave Encashment	22.48	145.33	153.91
-- Provision for Bonus	3.54	25.08	21.35
-- Disallowed u/s 40a (ia) of the Income Tax Act, 1961:	16.17	57.20	206.96
Minimum Alternate Tax Credit Entitlement	-	1,512.09	2,778.63
Total	182.88	2,074.23	3,491.82
Deffered Tax Liability			
Equity component of compound financial instrument	169.57	172.30	174.46
Financial Assets at Fair Valuation through profit and loss account	431.45	0.81	-
Transaction Charges on Buyer's Credit	-	3.15	6.30
Depreciation on Property, plant and equipment and intangible assets	1,054.36	1,257.44	1,345.76
Total	1,655.38	1,433.70	1,526.52
Net Deferred Tax Asset/ (Liabilities)	(1,472.50)	640.53	1,965.30

Movements in Deferred Tax Assets/ (Liabilities) [Net]

Particulars	Property, plant and equipment	Intangible Assets	Provision for Doubtful Debts and Advances	Minimum Alternate Tax Credit Entitlement	Other Items	Total
At 01 April 2015	(1,256.45)	(89.30)	330.97	2,778.63	201.45	1,965.30
Charged/ (Credited)						
- to profit or loss	(82.76)	(5.55)	(3.56)	1,266.54	138.87	1,313.54
- to other comprehensive income	-	-	-	-	11.23	11.23
At 31 March 2016	(1,173.69)	(83.75)	334.53	1,512.09	51.36	640.53
Charged/ (Credited)						
- to profit or loss	(197.55)	(5.52)	193.84	1,512.09	621.38	2,124.24
- to other comprehensive income	-	-	-	-	(11.20)	(11.20)
At 31 March 2017	(976.14)	(78.23)	140.69	-	(558.83)	(1,472.50)

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

8 OTHER NON-CURRENT ASSETS

Capital Advances						
Considered Good		681.99		740.89		913.74
Considered Doubtful		52.31		10.26		10.26
		734.30		751.15		924.00
Less: Provision for Doubtful Advances		52.31		10.26		10.26
		681.99		740.89		913.74
Unsecured, Considered Good (Unless otherwise stated)						
Advance Income Tax		352.59		241.84		97.26
Prepaid Expenses		43.74		26.45		27.74
		1,078.32		1,009.18		1,038.74

9 CURRENT TAX ASSETS

	As at 31 March 2017 Rupees in Lakhs	As at 31 March 2016 Rupees in Lakhs	As at 01 April 2015 Rupees in Lakhs
Tax Deducted at Source and Advance Tax	443.74	174.41	150.65
	443.74	174.41	150.65

10 OTHER CURRENT ASSETS

Advances Recoverable in Kind or for Value to be Received			
Considered Good	230.34	514.69	419.73
Considered Doubtful	-	0.51	28.62
	230.34	515.19	448.35
Less: Provision for Doubtful Advances	-	0.51	28.62
	230.34	514.69	419.73
Balances with Government Authorities	66.35	108.83	55.31
Prepaid Expenses	240.61	157.13	187.63
	537.30	780.65	662.67



11 EQUITY

	As at 31 March 2017 Rupees in Lakhs
11 (A) Equity	
Authorised Equity Share Capital:	
Equity Shares having par value of Rs. 10 each	
As at 01 April 2015	40,270.00
Increase during the year	-
As at 31 March 2016	40,270.00
Increase during the year	-
As at 31 March 2017	40,270.00
Equity Shares having par value of Rs. 25 each	
As at 01 April 2015	0.03
Increase during the year	-
As at 31 March 2016	0.03
Increase during the year	-
As at 31 March 2017	0.03

(I) Movement in Equity Share Capital

	Number of shares in Lakhs	Equity Share Capital (par value) Rs. in Lakhs
Equity Shares having par value of Rs. 10 each		
As at 01 April 2015	2,015.00	20,150.00
Increase during the year	-	-
As at 31 March 2016	2,015.00	20,150.00
Increase during the year	-	-
As at 31 March 2017	2,015.00	20,150.00
Equity Shares having par value of Rs. 25 each		
As at 01 April 2015	0.00	0.03
Increase during the year	-	-
As at 31 March 2016	0.00	0.03
Increase during the year	-	-
As at 31 March 2017	0.00	0.03

Terms and rights attached to Equity Shares

There are two class of Equity Shares issued by the company having par value of Rs. 10 and Rs. 25 each. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at the meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

11 (B) Instruments Entirely Equity in Nature

Compulsory Convertible Preference Shares

Authorised Compulsory Convertible Preference Shares:

Compulsory Convertible Preference Shares having par value of Rs. 24.65 each

	Number of shares in Lakhs	As at 31 March 2017 Rupees in Lakhs
As at 01 April 2015	1,200	29,580.00
Increase during the year	-	-
As at 31 March 2016	1,200	29,580.00
Increase during the year	-	-
As at 31 March 2017	1,200	29,580.00

- (i) Zero Coupon Redeemable Preference Shares (RPS): 1,150.00 Lakhs Zero Coupon Redeemable Preference Shares of Rs. 10 each were issued on July 21, 2011 to Gateway Distriparks Limited, the Holding Group, against cash. These RPS shall have liquidation preference rights which are inferior to those of Compulsory Convertible Preference Shares. These RPS are redeemable in one or more tranches provided that not less than 150.00 Lakhs RPS shall be redeemed in any single tranche. These RPS shall be redeemed latest by October 1, 2030. RPS would be entitled to redemption premium ranging from Rs. 3.38 per RPS redeemed in October 1, 2015 to Rs. 22.07 per RPS (if redeemed on October 1, 2030). At the time of liquidation, RPS holders would be entitled to their remaining assets (after paying off to Compulsory Convertible Preference shareholders and other preferential amount but before making payment to equity shareholders) in the proportion to their holding.

On implementation of Ind AS, RPS has been separated into equity and liability component, being a Compound Financial Instrument under Ind AS 109, based on the terms of the agreement. On issuance of the RPS, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on redemption. The remainder of the proceeds is recognised and included in Other equity. The carrying amount of the equity portion is not remeasured in subsequent years.

- (ii)

Compulsorily Convertible Preference Shares (CCPS): 1,200.00 Lakhs Compulsory Convertible Preference Shares of Rs. 24.65 each were issued in August 2010 to Blackstone GPV Capital Partners (Mauritius) V-H Limited (Blackstone) against cash. The Holders of CCPS shall also be entitled to participate in dividends issued by the Group over and above the Preferred Dividend on an 'as-if converted' basis. Subject to applicable laws, holders of CCPS shall have the voting rights to vote on all matters to be decided by the Group as if the CCPS had been converted into Equity Shares at the Conversion ratio. These CCPS represents 2,006.96 Lakhs underlying equity shares which will be issued to the holders on the date of conversion. These CCPS shall be converted by the expiry of 19 (Nineteen) years from the Completion date.



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

(I) Movement in Compulsory Convertible Preference Shares Capital

	Number of shares in Lakhs	As at 31 March 2017 Rupees in Lakhs
As at 01 April 2015	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2016	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2017	1,200.00	29,580.00

(II) Shares of the company held by Joint Venturers

	As at 31 March 2017 No. of Shares in Lakhs	As at 31 March 2016 No. of Shares in Lakhs	As at 01 April 2015 No. of Shares in Lakhs
Equity Shares having par value of Rs. 10 each Gateway Distriparks Limited (Immediate and ultimate Holding Company)	1,981.00	1,981.00	1,981.00
Compulsory Convertible Preference Shares of Rs. 24.95 each Blackstone GPV Capital Partners (Mauritius) V-H Limited	1,200.00	1,200.00	1,200.00

(III) Details of shareholders, holding more than 5% shares in the company

	As at 31 March 2017 No. of Shares in Lakhs	As at 31 March 2016 No. of Shares in Lakhs	As at 01 April 2015 No. of Shares in Lakhs
Equity Shares having par value of Rs. 10 each Gateway Distriparks Limited	1,981.00 98.31%	1,981.00 98.31%	1,981.00 98.31%
Compulsory Convertible Preference Shares of Rs. 24.95 each Blackstone GPV Capital Partners (Mauritius) V-H Limited	1,200.00 100.00%	1,200.00 100.00%	1,200.00 100.00%

(IV) Aggregative number of shares issued for consideration other than cash
No Equity shares has been issued for consideration other than cash in the last 5 years.

11(C) Reserve and surplus

Particulars	31 March 2017	31 March 2016	01 April 2015
Securities premium reserve	132.05	132.05	132.05
Retained Earnings	21,209.23	17,240.03	12,055.60
Total	21,341.28	17,372.08	12,187.65

(i) Securities premium reserve

Particulars	31 March 2017	31 March 2016
Opening balance	132.05	132.05
Increase/ (Decrease) during the year	-	-
Closing balance	132.05	132.05

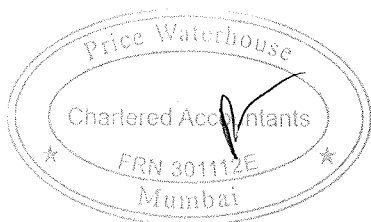
(ii) Retained Earnings

Particulars	31 March 2017	31 March 2016
Opening balance	17,240.03	12,055.60
Net Profit for the period	3,969.20	5,184.43
Item of other comprehensive income recognised directly in retain earnings	-	-
Dividends	-	-
Closing balance	21,209.23	17,240.03

Nature and purpose of other reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.



FINANCIAL LIABILITIES

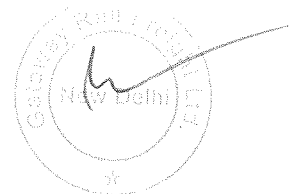
12 NON-CURRENT BORROWINGS

	As at 31 March 2017 Rupees in Lakhs	As at 31 March 2016 Rupees in Lakhs	As at 01 April 2015 Rupees in Lakhs
Secured:			
Term Loans			
<i>From Banks:</i>			
Rupee Loan [Refer Note (a) below]	24,682.34	17,060.09	4,479.58
<i>From Financial Institutions:</i>			
Rupee Loan [Refer Note (c) below]	-	-	5,724.13
Buyers' Credit			
<i>From Banks:</i>			
Foreign Currency Loan [Refer Note (d) below]	875.42	938.94	1,337.71
Liability component of compound financial instrument [Refer Note (11)]	15,768.57	14,806.17	13,902.51
Total Non-Current Borrowings	41,326.33	32,805.20	25,443.93
Less: Current maturities of long term debt from Financial institution	-	-	1,090.00
Less: Current maturities of long term debt from Bank	3,172.50	1,752.50	412.50
Less: Current maturities of Buyers' Credit from Bank	-	-	499.08
Non-Current Borrowings (as per balance sheet)	38,153.83	31,052.70	23,442.35

Zero Coupon Redeemable Preference Shares

Zero Coupon Redeemable Preference Shares (RPS): 115,000,000 Zero Coupon Redeemable Preference Shares of Rs. 10 each were issued on July 21, 2011 to Gateway Distriparks Limited, the Joint Venturer, against cash. RPS would be entitled to redemption premium ranging from Rs. 3.38 per RPS redeemed on October 1, 2015 to Rs. 22.07 per RPS (if redeemed on October 1, 2030). On implementation of Ind AS, RPS has been separated into equity and liability component, being a Compound Financial Instrument under Ind AS 109, based on the terms of the agreement. The RPS are presented in the balance sheet as follows:

Particulars	31 March 2017	31 March 2016	01 April 2015
Face value of RPS issued	11,500.00	11,500.00	11,500.00
Equity component of RPS	(1,033.42)	(1,033.42)	(1,033.42)
Interest compounded	4,339.59	3,435.93	3,435.93
Interest expense for the year	962.40	903.66	-
Interest paid	-	-	-
Non-current borrowings	15,768.57	14,806.17	13,902.51



Nature of security and terms of repayment for secured borrowings

Nature of Security

a) Term Loan from HDFC Bank amounting to Rs. 24,517.75 Lakhs (March 31, 2016 Rs. 16,930.00 Lakhs) is secured by first pari passu charge on all the assets (fixed and current, present and future) of the Company, debit Authority Letter with undertaking to fund losses or provide funds to the Company in case of inadequate cash flows and Corporate Guarantee by Gateway Distriparks Limited, the Joint Venturer, for Term Loan 1 and 2, restricted upto Rs. 12,510.00 Lakhs.

b) Term Loan from GE Money Financial Services Private Limited amounting to Rs. Nil (March 31, 2016 Rs. Nil, March 31, 2015 Rs. 5,722.50 Lakhs) was secured by first pari passu charge on all movable operating assets, intangible assets, assignment of all permits, licences, approvals, and immovable properties, book debts, insurance policies, pledge of equity shares of Gateway Rail Freight Limited held by Gateway Distriparks Limited and Corporate Guarantee of Gateway Distriparks Limited, the Joint Venturer.

Terms of Repayment

The Term Loan 1 from HDFC Bank is repayable in 24 quarterly installments within 8 years with 2 years moratorium from the date of each drawdown.

a. Term Loan of Rs. 100.00 Lakhs taken on November 03, 2010 is repayable in installments of Rs. 4.17 Lakhs started from February 2013 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.76% p.a.

b. Term Loan of Rs. 1,000.00 Lakhs taken on July 09, 2012 is repayable in installments of Rs. 41.67 Lakhs started from October 2014 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

c. Term Loan of Rs. 1,000.00 Lakhs taken on December 26, 2012 is repayable in installments of Rs. 41.67 Lakhs started from March 2015 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

d. Term Loan of Rs. 500.00 Lakhs taken on May 07, 2013 is repayable in installments of Rs. 20.83 Lakhs started from August 2015 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

e. Term Loan of Rs. 3,500.00 Lakhs taken on April 15, 2015 is repayable in installments of Rs. 145.83 Lakhs starting from July 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

The Term Loan 2 from HDFC Bank is repayable in 24 Quarterly installments within 8 years with 2 years moratorium from the first drawdown.

a. Term Loan of Rs. 1,000.00 Lakhs taken on December 22, 2014 is repayable in installments of Rs. 41.67 Lakhs starting from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

b. Term Loan of Rs. 1,000.00 Lakhs taken on January 19, 2015 is repayable in installments of Rs. 41.67 Lakhs starting from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

c. Term Loan of Rs. 1,500.00 Lakhs taken on January 11, 2016 is repayable in installments of Rs. 62.50 Lakhs starting from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

d. Term Loan of Rs. 1,000.00 Lakhs taken on February 10, 2016 is repayable in installments of Rs. 41.67 Lakhs starting from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

e. Term Loan of Rs. 1,000.00 Lakhs taken on March 15, 2016 is repayable in installments of Rs. 41.67 Lakhs starting from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

f. Term Loan of Rs. 770.00 Lakhs taken on May 07, 2016 is repayable in installments of Rs. 32.08 Lakhs starting from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

The Term Loan 3 from HDFC Bank is repayable in 20 quarterly installments within 5 years.

a. Term Loan of Rs. 5,450.00 Lakhs taken on September 29, 2015 is repayable in installments of Rs. 272.50 Lakhs started from December 2015 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

The Term Loan 4 from HDFC Bank is repayable in 24 quarterly installments within 8 years with 2 years moratorium from the date of each drawdown.

a. Term Loan of Rs. 1,000.00 Lakhs taken on March 31, 2016 is repayable in installments of Rs. 41.67 Lakhs starting from June 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

b. Term Loan of Rs. 7,000.00 Lakhs taken on July 28, 2016 is repayable in installments of Rs. 291.67 Lakhs starting from October 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

c. Term Loan of Rs. 644.00 Lakhs taken on August 11, 2016 is repayable in installments of Rs. 26.83 Lakhs starting from November 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

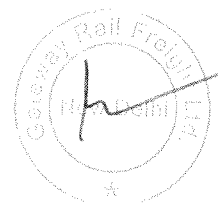
The Term Loan 5 from HDFC Bank is repayable in 24 Quarterly installments within 8 years with 2 years moratorium from the first drawdown.

a. Term Loan of Rs. 1,000 Lakhs taken on August 11, 2016 is repayable in installments of Rs. 41.67 Lakhs starting from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps. Interest for current year is in the range of 8.40% - 9.70% p.a.

c) Buyers' Credit from HDFC Bank amounting to Rs. 1,312.03 Lakhs (March 31, 2016 Rs. 938.94 Lakhs) is secured by first pari passu charge on all the assets (fixed and current, present and future) of the Company, Debit Authority Letter with undertaking to fund losses or provide funds to the Company in case of inadequate cash flows and Corporate Guarantee of Gateway Distriparks Limited, the Joint Venturer.

Buyers' Credit of Rs. 875.42 Lakhs is repayable in January 2018. The interest rate is LIBOR + 2.40%.
Buyers' Credit of Rs. 436.61 Lakhs is repayable in August 2017. The interest rate is LIBOR + 1.25%.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 35.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

13 EMPLOYEE BENEFIT OBLIGATIONS

	As at 31 March 2017 Rupees in Lakhs		As at 31 March 2016 Rupees in Lakhs		As at 01 April 2015 Rupees in Lakhs	
	Current	Non-current	Total	Current	Non-current	Total
- Leave obligations	61.25	223.38	284.63	76.95	175.74	252.69
- Gratuity	17.04	220.00	237.04	13.12	154.12	167.24
	78.29	443.38	521.67	90.07	329.86	419.93
				39.60	405.12	444.72

(i) Leave Obligation

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

The amount of the provision of Rs. 61.25 Lakhs (31 March 2016 Rs. 76.95 Lakhs, 1 April 2015 Rs. 35.79 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment obligations

a) Gratuity

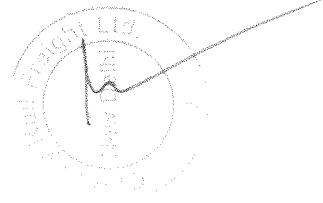
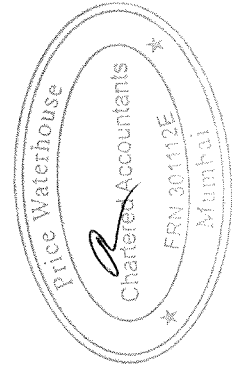
The Company provides for gratuity for employees in India as per payment of gratuity Act, 1972. Employee who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed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

(iii) Defined Contribution Plans

The company also has certain defined contribution plans. Contribution are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 107.92 Lakhs (31 March 2016 Rs. 96.96 Lakhs)

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

Particulars	Present value of obligation
01 April 2015	169.66
Current service cost	29.85
Interest Cost	13.23
Total amount recognised in profit or loss	43.08
Re-measurements	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	(21.19)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(4.70)
Actuarial (Gains) / Losses on Obligations - Due to Experience	(6.56)
The amount recognised in other comprehensive income	(32.45)
Benefit payments	(13.05)
31 March 2016	167.24



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

Particulars	Present value of obligation
01 April 2016	167.24
Current service cost	24.14
Interest Cost	13.30
Total amount recognised in profit or loss	37.44
<i>Remeasurements</i>	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	5.32
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	18.48
Actuarial (Gains) / Losses on Obligations - Due to Experience	10.86
The amount recognised in other comprehensive income	34.66
Benefit payments	(2.30)
31 March 2017	237.04

The net liability disclosed relates to unfunded plans as follows:

Particulars	31 March 2017	31 March 2016	01 April 2015
Present value of unfunded plans	237.04	167.24	169.66
Deficit of gratuity plan	237.04	167.24	169.66

(iv) Post employment benefits (Gratuity)

Significant estimates: Actuarial assumptions and sensitivity
The significant actuarial assumptions were as follows:

Particulars	31 March 2017	31 March 2016	01 April 2015
Discount Rate	7.12%	7.95%	7.80%
Salary growth rate	11.00%	11.00%	11.00%
Attrition Rate	5-16	5-25	2.00%

(v) Sensitivity Analysis

The sensitivity of the defined benefit obligation to change in the weighted principal assumption is:

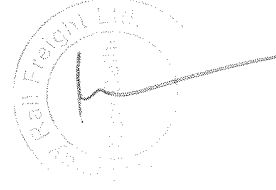
Particulars	Change in assumption		Impact on defined benefit obligation	
	31 March 2017	31 March 2016	Increase in assumption 31 March 2017	Decrease in assumption 31 March 2016
Discount Rate	1%	1%	Decrease by -9.27%	Increase by 15.52%
Salary growth rate	1%	1%	Increase by 5.30%	Decrease by -7.79%
Employee Turnover	1%	1%	Decrease by -1.04%	Increase by 1.11%
				Decrease in assumption 31 March 2016
				12.03%
				-4.44%
				2.02%

The above sensitivity analysis are based on a change in an assumption while holding all other assumption 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 assumption 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.

vi) Defined benefit obligation and employers contributions

The defined benefit obligation shall mature after year end 31 March 2017 as follows:	Amount
1st Following Year	17.04
2nd Following Year	13.39
3rd Following Year	11.80
4th Following Year	13.11
5th Following Year	13.27
Sum of Years 6 To 10	105.01



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

14 CURRENT BORROWINGS

	As at 31 March 2017 Rupees in Lakhs	As at 31 March 2016 Rupees in Lakhs	As at 01 April 2015 Rupees in Lakhs
Secured			
Loan repayable on demand			
From Banks:			
Bank overdraft	719.23	-	-
Secured			
Buyers' Credit			
From Banks:			
Foreign Currency Loan [Refer Note (c) below]			
With original maturity with less than 1 year	436.61	-	653.92
	1,155.84	-	653.92

15 TRADE PAYABLES

-- Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note below]	78.01	55.05	27.77
-- Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	3,881.92	3,312.81	3,491.68
	3,959.93	3,367.86	3,519.45

Notes

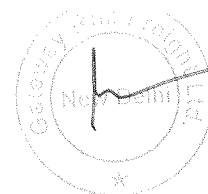
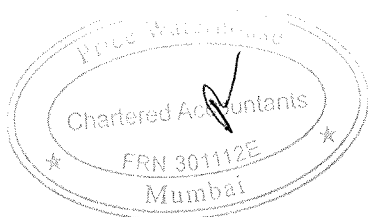
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSMED (Refer Note 38).

16 OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of long term debt from Financial Institution (Refer Note 11)	-	-	1,090.00
Current maturities of long term debt from Banks (Refer Note 11)	3,172.50	1,752.50	412.50
Current maturities of Buyers' Credit from Bank (Refer Note 11)	-	-	499.08
Retention Money/ Deposits from Creditors for Tangible Assets	175.19	201.87	99.16
Other Payables:			
-- Creditors for Tangible and Intangible Assets	162.06	307.39	227.18
-- Employees	104.54	96.01	155.93
-- Directors' commission	289.37	282.78	-
-- Contractual Obligations	195.03	213.43	239.88
Auction Surplus	6.20	-	-
	4,105.49	2,853.98	2,723.73

17 OTHER CURRENT LIABILITIES

Advances from Customers	308.77	295.34	108.80
Other Payables:			
-- Payroll Taxes	17.57	15.65	13.83
-- Statutory Liabilities	124.38	148.79	107.09
	450.72	459.78	319.81



18 REVENUE FROM OPERATIONS

	Notes	Year ended 31 March 2017 Rupees in Lakhs	Year ended 31 March 2016 Rupees in Lakhs
Sale of Services			
-- Rail Transport		64,258.81	61,379.42
-- Road Transport		5,070.42	5,578.39
-- Container Storage, Handling and Ground Rent		6,840.81	7,138.33
Auction Income		35.78	22.53
Other Operating Revenues			
Rent		131.27	197.65
Total revenue from continuing operations		76,337.09	74,316.32

19 OTHER INCOME

Interest Income			
- Interest on Fixed Deposit with Banks - Gross	5(e), 5(f), 5(g)	40.42	55.74
- Interest on Income Tax Refund		28.66	-
Unwinding of Discount on Security Deposit	6(e)	4.10	3.67
Dividend Income on Investment in Mutual Funds measured at Fair Value through Profit and Loss	6(a)	350.96	533.99
Liabilities/ Provisions no longer required Written back		60.47	48.19
Sale of Scrap		16.09	21.70
Miscellaneous Income		67.58	51.51
Provision for Doubtful Ground Rent written back (Net)	6(b)	30.90	-
Profit on sale of Fixed Assets	3	-	38.76
Gain on fair valuation of financial assets recognised at fair value through profit or loss	6(a)	1,246.69	1.08
Gain on Sale of Investment in Mutual Funds	6(a)	207.33	14.52
Foreign Exchange Gain	3	30.81	-
Total other income		2,084.01	769.16

20 OPERATING EXPENSES

Rail Transport (Refer Note (i) below)		49,573.03	46,573.05
Road Transport (Refer Note (ii) below)		5,156.15	5,173.99
Container Storage, Handling and Repairs (Refer Note (iii) below)		1,390.32	1,318.25
Auction Expenses		15.29	19.52
Total Operating Expenses		56,134.79	53,084.81

(i) Rail Transport expenses mainly includes Rail Haulage Charges, Discount, Stabling Charges & Rake Hiring Charges.

(ii) Road Transport expenses mainly includes Trip Expenses, Diesel Expenses, Trailers Driver Salary & Permit Charges.

(iii) Container Storage, Handling and Repairs mainly includes Handling charges, Survey, Labour & Wages and Internal Shifting Expenses.

21 EMPLOYEE BENEFITS EXPENSES

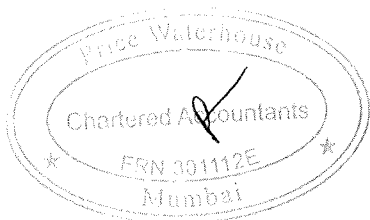
Salaries, Allowances and Bonus		2,192.28	1,995.01
Contribution to Provident and Other Funds [Refer Note 38]		107.92	96.97
Leave Compensation	13	67.03	16.30
Gratuity	13	39.74	43.08
Staff Welfare		67.35	58.59
Total Employee Benefits Expenses		2,474.32	2,209.95

22 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation on Property, Plant and Equipment	3	4,784.55	4,725.03
Amortisation of Intangible Assets	4	264.79	263.40
Total Depreciation And Amortisation Expenses		5,049.34	4,988.43



	Notes	Year ended 31 March 2017 Rupees in Lakhs	Year ended 31 March 2016 Rupees in Lakhs
23 FINANCE COSTS			
-- Interest on Term Loans	12	2,119.38	1,374.15
-- Interest on Buyers' Credit	12	30.81	38.78
-- Interest on Cash Credit		38.44	29.51
-- Interest on Taxes		0.02	0.02
-- Premium Payable on redemption of Compound Financial Instrument (including unwinding of discount)	12	962.40	903.66
Total Finance Costs		3,151.05	2,346.12
Less: Amount capitalised		453.93	114.31
Finance Cost expensed in profit and loss		2,697.12	2,231.81
The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the entity's specific and general borrowings during the year, in this case 9.32% for specific borrowings and 7.95% for general borrowings (31-March-2016 specific borrowings 9.98% and 8.77% for general borrowings.)			
24 OTHER EXPENSES			
Power and Fuel		823.76	744.01
Rent		673.49	893.13
Rail License Fees		356.30	350.06
Rates and Taxes		3.28	1.86
Repairs and Maintenance			
-- Plant and Equipment (including Yard Equipments)	3	125.29	47.61
-- Buildings/ Yard	3	213.85	87.95
-- Others		232.26	191.46
Insurance		213.77	207.23
Customs Staff Expenses		147.26	193.08
Printing and Stationery		58.54	56.26
Travelling and Conveyance		338.57	310.37
Vehicle Maintenance Expenses		9.80	9.38
Communication		99.48	102.75
Advertisement and Business Promotion		106.86	112.10
Corporate Social Responsibility [Refer Note 29a]		180.19	141.17
Legal and Professional Charges		219.22	217.79
Director Sitting Fees		35.00	35.00
Security Charges		449.86	396.48
Auditors' Remuneration			
-- Audit Fees		23.00	15.00
-- Out of Pocket Expenses		0.16	0.12
Provision for Doubtful Debts (Net)	6(b)	75.00	11.05
Provision for Doubtful Ground Rent (Net)	6(e)	-	22.26
Provision for Doubtful Advances/ Deposits		135.69	
Fixed Asset written off		23.89	38.65
Bank Charges	3	41.22	59.44
Total Other Expenses		4,585.74	4,244.21
24(a) Corporate Social Responsibility expenditure			
Contribution to Bharat Lok Shiksha Parishad		10.00	10.00
Promotion of Education		3.00	-
Rural Development Projects		167.19	131.17
Total		180.19	141.17
Amount required to be spent as per section 135 of the Act <i>Amount spent during the year on</i>		178.47	137.43
Construction/ acquisition of any asset On purposes other than (i) above		167.19	131.17
		10.00	10.00
		177.19	141.17
24(b) Details of payment to auditors			
Payment to auditors			
As auditor			
Audit Fee		23.00	15.00
In other capacities			
Re-imbursment of expenses		0.16	0.12
Total payment to auditors		23.16	15.12



	Year ended 31 March 2017 Rupees in Lakhs	Year ended 31 March 2016 Rupees in Lakhs
25 INCOME TAX EXPENSE		
(a) Income tax Expenses		
Current Tax		
Current Tax on profits for the year	1,365.19	1,849.54
Adjustment for current tax of prior periods	-	-
Total Current tax expenses	1,365.19	1,849.54
Deferred Tax		
Decrease/ (Increase) in deferred tax assests	1,891.35	1,417.58
(Decrease)/ Increase in deferred tax liabilities	221.69	(92.83)
Total deferred tax expense/(benefit)	2,113.04	1,324.75
Income tax expenses	3,478.23	3,174.29
Income tax expense is attributable to :		
Profit from continuing operations	3,478.23	3,174.29
Profit from discontinued operations	-	-
Total	3,478.23	3,174.29
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit from continuing operations before income tax expense	7,447.43	8,358.72
Profit from discontinued operations before income tax expense	-	-
	7,447.43	8,358.72
Tax at the indian tax rate of 34.608%	2,577.41	2,892.79
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
	Tax Amount	Tax Amount
-- Interest on Zero coupon redeemable preference shares	330.33	310.58
-- Corporate social responsibility expenditure	58.90	45.40
-- Dividend income from mutual fund	(121.46)	(184.80)
-- Deferred Tax not created where it is expected to reverse within tax holiday period	335.18	-
-- Minimum Alternate Tax Written Off	287.94	-
-- Donation	0.35	0.00
-- Amortisation of Prepaid Rent as per Ind AS	1.54	(1.48)
-- Interest on Security deposit as per Ind AS	(1.42)	1.27
-- Difference of Depreciation Considered for Tax & Defer tax	-	109.10
-- Other Items	9.46	1.43
Income Tax Expenses	3,478.23	3,174.29



26 FAIR VALUE MEASUREMENTS

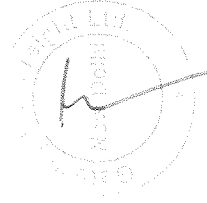
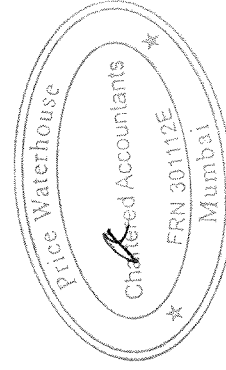
26 (a) Financial instrument by category.

	As at 31 March 2017 Rupees in Lakhs		As at 31 March 2016 Rupees in Lakhs		As at 01 April 2015 Rupees in Lakhs	
	FVPL	FVOCI	FVPL	FVOCI	FVPL	FVOCI
	Amortised cost		Amortised Cost		Amortised cost	
Financial Assets						
Investment						
- Mutual Funds	30,153.58	-	13,811.54	-	8,100.00	-
Trade Receivable	-	6,586.61	-	6,020.63	-	7,137.44
Cash and Cash equivalent	-	610.29	-	773.31	-	785.43
Other Bank Balances	-	204.97	-	306.18	-	561.32
Security Deposit	-	318.89	-	304.21	-	329.97
Bank Deposits	-	438.37	-	331.11	-	29.51
Advance recoverable in cash	-	148.94	-	148.94	-	148.94
Other Financial Assets	-	113.30	-	215.35	-	150.99
Total Financial Assets	30,153.58	8,421.37	13,811.54	8,099.73	8,100.00	9,143.60
Financial Liabilities						
Borrowings	-	42,482.17	-	32,805.20	-	26,097.85
Trade Payables	-	3,959.93	-	3,367.86	-	3,519.46
Retention Money	-	175.19	-	201.87	-	99.16
Other Payables:						
-- Creditors for Tangible and Intangible Assets	-	162.06	-	307.39	-	227.18
-- Employees	-	104.54	-	96.01	-	155.93
-- Directors' commission	-	289.37	-	282.78	-	-
-- Contractual Obligations	-	195.63	-	213.43	-	239.88
-- Auction Surplus	-	6.20	-	-	-	-
Total Financial Liabilities	-	47,375.09	-	37,274.54	-	30,339.46

(f) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value- recurring fair value measurement at 31-March-2017	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVPL					
Mutual Fund - Growth Plan	6(a)	30,153.58	-	-	30,153.58
Total Financial Assets		30,153.58	-	-	30,153.58
Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31-March-2017					
Financial Assets					
Security Deposit	5(g)	-	-	322.25	322.25
Bank Deposits	5(g)	-	-	478.88	478.88
Total Financial Assets		-	-	801.13	801.13
Financial Liabilities					
Borrowings	12	-	-	44,619.47	44,619.47
Total Financial Liabilities		-	-	44,619.47	44,619.47



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

Financial assets and liabilities measured at fair value- recurring fair value measurement at 31-March-2016	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVPL	6(a)	13,811.54	-	-	13,811.54
Mutual Fund - Dividend plan					
Total Financial Assets		13,811.54	-	-	13,811.54
Financial assets and liabilities measured at amortised cost for which fair values are disclosed 31-March-2016	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposit	5(g)	-	-	306.99	306.99
Bank Deposits	5(g)	-	-	344.05	344.05
Total Financial Assets		-	-	651.04	651.04
Financial Liabilities					
Borrowings	12	-	-	33,106.33	33,106.33
Total Financial Liabilities		-	-	33,106.33	33,106.33
Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 01-April-2015	Notes	Level	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVPL	6(a)	8,100.00	-	-	8,100.00
Mutual Fund - Growth Plan					
Total Financial Assets		8,100.00	-	-	8,100.00
Financial assets and liabilities measured at amortised cost for which fair values are disclosed 01-April-2015	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposit	5(g)	-	-	329.43	329.43
Bank Deposits	5(g)	-	-	30.82	30.82
Total Financial Assets		-	-	360.25	360.25
Financial Liabilities					
Borrowings	12	-	-	25,235.92	25,235.92
Total Financial Liabilities		-	-	25,235.92	25,235.92

Level 1 - Level 1 Hierarchy includes financial instruments measured using quoted price. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level - 2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximize 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.

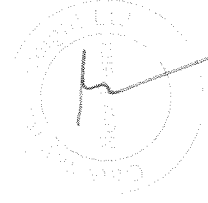
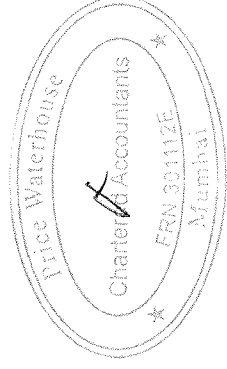
Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in level 3. This is the case for security deposits, bank deposits and borrowings.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- 1) The use of quoted market price or dealer quotes for similar instruments.
- 2) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 3 except for investment in mutual funds, where the fair value has been determined using the closing NAV.



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

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

Particulars	As at 31 March 2017 Rupees in Lakhs		As at 31 March 2016 Rupees in Lakhs		As at 01 April 2015 Rupees in Lakhs	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets						
Security Deposit	318.89	322.25	304.21	306.99	329.97	329.43
Bank Deposits	438.37	478.88	331.11	344.05	29.51	30.82
Total Financial Assets	757.26	801.13	635.32	651.04	359.48	360.25
Financial Liabilities						
Borrowings	42,482.17	44,619.47	32,805.20	33,106.33	26,097.85	25,235.92
Total Financial Liabilities	42,482.17	44,619.47	32,805.20	33,106.33	26,097.85	25,235.92

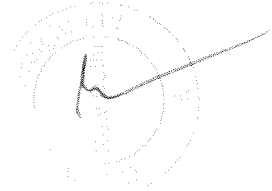
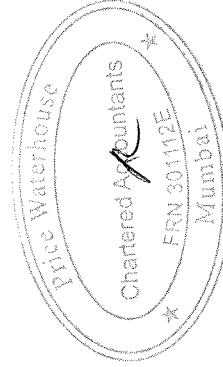
The carrying amounts of trade receivables, cash and cash equivalent, other bank balances, advance recoverable in cash, other financial asset, trade payables, retention money and other payables are considered to be the same as their fair values, due to their short-term nature.

The Fair value for security deposits were calculated based on cash flows discounted using a current deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value of Zero Coupon Redeemable Preference Shares were based on discounted cash flow using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk.

Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. 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. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iii) above.



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.	Ageing analysis, credit ratings	Diversification of bank deposit, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of bank credit lines and borrowings facilities
Market risk -foreign exchange	Foreign currency borrowings	Rolling cash flow forecast	Availability of bank credit lines and borrowings facilities
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swap
Market risk -Security price	Investment in Mutual Funds	Sensitivity analysis	Portfolio diversification

(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, foreign exchange transactions and other financial instruments.
The Company has defined default 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.

(i) Credit Risk Management

Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have good credit ratings, good reputation and hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

The Company's maximum exposure to credit risk as at 31 March 2017, 31 March 2016, and 1 April 2015 is the carrying value of each class of financial assets as disclosed in note 6.

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.

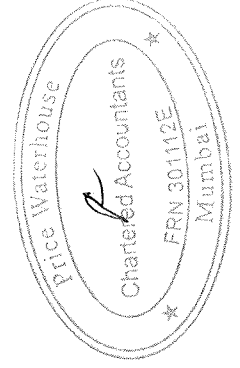
Of the Trade Receivables balance as at 31 March 2017 of Rs. 7,440.02 Lakhs (As on 31 March 2016 - Rs. 6,799.04 Lakhs, As on 1 April 2015 - Rs. 7,904.80 Lakhs), the top 5 customers of the Company represent the balance of Rs. 3,527.41 Lakhs (As on 31 March 2016 - Rs. 2,690.54 Lakhs, 1 April 2015 - Rs. 3,347.56 Lakhs).

The amount of Trade receivable outstanding as at 31 March 2017, 31 March 2016 & 01 April 2015 is as follows:

Particulars	0-60 Days	60-120	120-180	180-365days	More than 365 days	Total
March 31, 2017	5,944.97	680.77	127.23	28.81	658.24	7,440.02
March 31, 2016	5,709.29	341.19	103.86	49.79	594.91	6,799.04
April 01, 2015	5,816.52	1,252.65	159.66	84.59	591.38	7,904.80

(ii) Reconciliation of loss allowances provision - Trade Receivable

Loss Allowances on 1 April 2015	767.37
Changes in loss allowances	11.04
Loss Allowances on 31 March 2016	778.41
Changes in loss allowances	75.00
Loss Allowances on 31 March 2017	853.41



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

(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 2017	31 March 2016	01 April 2015
Floating Rate			
Expiring within one year (Bank overdraft, Term Loans and other facilities)	7,885.26	18,379.06	12,804.11
Expiring beyond one year (Term loans)	-	-	-
Total	7,885.26	18,379.06	12,804.11

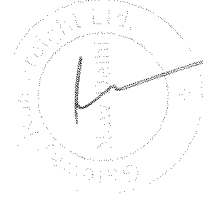
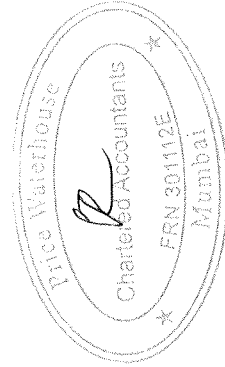
The working capital position of the Company is given below:

Particulars	As at		
	31 March 2017	31 March 2016	01 April 2015
Cash & Cash Equivalents	610.30	773.31	785.43
Investments in Mutual Funds	30,153.58	13,811.55	8,100.00
Other Bank Balances	-	13.98	40.88
Total	30,763.88	14,598.84	8,926.31

(ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings 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 liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
31 March 2017				
Non - Derivative				
Borrowings	7,356.07	5,767.54	57,240.91	70,364.52
Trade payables	3,959.93	-	-	3,959.97
Other Financial Liabilities	932.97	-	-	932.97
Total Non derivative liabilities	12,248.97	5,767.54	57,240.91	75,257.46
Contractual maturities of financial liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
31 March 2016				
Non - Derivative				
Borrowings	4,435.06	4,253.11	51,802.76	60,490.92
Trade payables	3,367.86	-	-	3,367.86
Other Financial Liabilities	1,101.47	-	-	1,101.47
Total Non derivative liabilities	8,904.39	4,253.11	51,802.76	64,960.25
Contractual maturities of financial liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
01 April 2015				
Non - Derivative				
Borrowings	3,741.74	2,482.67	46,398.68	52,623.09
Trade payables	3,519.46	-	-	3,519.46
Other Financial Liabilities	722.15	-	-	722.15
Total Non derivative liabilities	7,983.35	2,482.67	46,398.68	56,864.70



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

(C) Market Risk

(i) Foreign currency risk

The company's operations are such that all activities are confined to India only except for certain Imported Capital Assets (Reach Stacker) for which company has availed buyers credit facility exposing itself to foreign exchange risk arising from foreign currency transactions, primarily with respect to US\$ and EUR. No hedging is done to manage the risk.

(a) Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period are as follows

Particulars	31 March 2017		31 March 2016		01 April 2015	
	EUR	EUR	EUR	EUR	EUR	USD
Financial Liabilities						
Buyers Credit	1,319.19	955.19	955.19	1,947.19		69.80
Net Exposure to foreign currency	1,319.19	955.19	955.19	1,947.19		69.80

(b) Sensitivity

The Sensitivity of profit or loss to changes in the exchange rates arises mainly currency denominated financial instrument .

Particulars	Impact on profit after tax (Refer note a below)		Impact on other components of equity	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<i>EUR sensitivity</i>				
INR/EUR - Increase by 10% (31 March 2016 - 10%)*	(28.32)	-	-	-
INR/EUR - Decrease by 10% (31 March 2016 - 10%)*	28.32	-	-	-
<i>USD sensitivity</i>				
INR/USD - Increase by 10% (31 March 2016 - 10%)*	-	-	-	-
INR/USD - Decrease by 10% (31 March 2016 - 10%)*	-	-	-	-

* Holding all other variables constant

Note (a) Buyers Credit's are availed by the company for purchase of tangible Assets. Company had availed option under paragraph 46/46A of AS 11 - The Effects of Changes in Foreign Exchange Rates. In accordance with exemption opted by the company under Ind AS 101 - First Time Adoption of Indian Accounting Standards, any change in foreign exchange rate will not impact the profit after tax for the year ended 31 March 2016 and 01 April 2015.

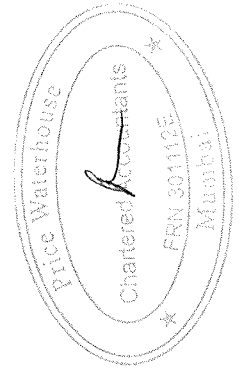
(ii) Cash Flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk.

(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 2017	31 March 2016	01 April 2015
Variable Rate Borrowings	25,398.15	17,882.94	11,518.40
Fixed Rate Borrowings	15,768.57	14,806.47	13,902.51
Total Borrowings	41,166.72	32,689.41	25,420.91



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

(b) Sensitivity

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

Particulars (INR Loans)	Impact on profit after tax		Impact on other components of equity	
	31 March 2017	31 March 2016	01 April 2015	01 April 2015
Interest Rate - Increase by 100 basis points*	160.33	110.71	29.01	-
Interest Rate - Decrease by 100 basis points*	(160.33)	(110.71)	(29.01)	-
Particulars (Foreign Currency Loans)				
	Impact on profit after tax		Impact on other components of equity	
	31 March 2017	31 March 2016	01 April 2015	01 April 2015
Interest Rate - Increase by 20 basis points*	1.15	1.25	1.78	-
Interest Rate - Decrease by 20 basis points*	(1.15)	(1.25)	(1.78)	-

* Holding all other variable constant

(iii) Price risk

(a) Exposure

The company's exposure to Investments arises from investment held by the company in mutual funds and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company

(b) Sensitivity

Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2017	31 March 2016	01 April 2015	01 April 2015
Net Asset Value - Increase 10% (31 March 2016 10%)*	1,971.81	903.16	529.68	-
Net Asset Value - Decrease 10% (31 March 2016 10%)*	(1,971.81)	(903.16)	(529.68)	-

Profit for the period would increase/ decrease as a result of gains/ losses on investments classified at fair value through profit or loss.

28 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.

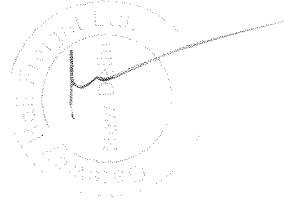
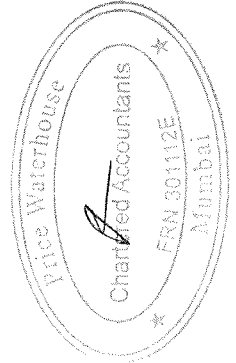
The company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic 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.

Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:

- Total Outside Liabilities to Total Net worth should be maximum 1
- Minimum DSCR of 1.13 times
- Fixed Asset Cover ratio should be greater than 1.9 times

The company has complied with these covenants throughout the reporting period.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017.

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SEGMENT INFORMATION:

In accordance with Ind AS 108 'Operating Segment', segment information has been given in the consolidated financial statements of Gateway Rail Freight Limited, and therefore, no separate disclosure on segment information is given in the standalone financial statements.

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RELATED PARTY TRANSACTIONS

Related Party Disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below :

(A) Joint Ventures

The Company is jointly controlled by the following entities:

Name	Type	Place of incorporation	Ownership Interest	
			31 March 2017	01 April 2015
Gateway Distriparks Limited (GDL)	Joint Venture	India	49.25%	49.25%
Blackstone GPV Capital Partners (Mauritius) V-H Limited	Joint Venture	Mauritius	49.90%	49.90%

(B) Jointly Controlled Entity

Name of the Entity	Place of Business	% of Ownership Interest	Relationship	Accounting Method
				Equity Method
Container Gateway Limited	India	51%	Joint Venture	
Total Equity Accounting Investments				

(C) Subsidiary Companies of Joint Venture

Gateway East India Private Limited*
Gateway Distriparks (Kerala) Limited*
Chandra CFS and Terminal Operators Private Limited*

* There are no transaction with the company during the year

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

Newsprint Trading and Sales Corporation (NTSC)

(E) Directors of the Company

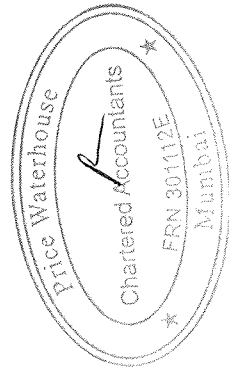
(i) Executive Directors

Mr. Prem Kishan Gupta (Chairman and Managing Director)
Mr. Somvir Gupta (Joint Managing Director)
Mr. Sachin Bhanushali (Chief Executive Officer and Whole Time Director) - w.e.f. 07 February 2017

(ii) Independent and Non-Executive Directors

Mr. Ishaan Gupta (Director)
Mrs. Manita Gupta (Director)
Mr. Gurdleen Singh (Director)
Mr. Richard Blaise Saldanha (Director)
Mr. Mathew Cyril (Director) - upto 07 April 2017
Mr. Shabbir Hassambhai (Independent Director)
Mr. Arun Kumar Gupta (Independent Director)

Particulars	31 March 2017	31 March 2016
(i) Executive Directors		
Remuneration	160,440	192,888
Share-based employee benefits	1,94	0,24
Post-employment benefits	6,389	0,28
Long-term employee benefits	2,07	0,57
Director Shareholdings	0,00	5,00
Commission	260,100	224,000
(ii) Non Executive and Independent Director		
Stipend fees & Commission	91,00	125,00
Total compensation	539,349	549,522



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

(F) Transactions entered into with Parties referred to in Category A, B and D

Sr. No.	Particulars	Joint Venturer A		Joint Venture Company B		Entity in which directors are interested D		Total	
		Year ended		Year ended		Year ended		Year ended	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
1	Reimbursement of Other Operational expenses incurred on our behalf	-	-	-	-	-	0.10	-	0.10
2	Rendering of Services (excluding Service-tax)	0.04	7,499.00	-	-	45.57	27.86	45.57	27.86
3	Purchase of Tangible Assets (excluding Sales-tax)	962.40	993.66	-	-	-	-	0.04	7,499.00
4	Premium Payable on redemption of Compound Financial Instrument	-	-	-	-	-	-	962.40	963.66
5	Reimbursement of Other Administrative expenses incurred on their behalf	-	-	0.68	0.32	-	1.04	0.68	1.36
6	Reimbursement of Other Administrative expenses incurred on our behalf	-	-	-	-	0.16	-	0.16	-
		962.44	8,393.66	0.68	0.32	45.73	29.00	1,008.85	8,422.98

(G) Outstanding balances arising from sales/ purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Sr. No.	Particulars	Joint Venturer A		Joint Venture Company B		Entity in which directors are interested D		Key Management Personnel E		Total	
		Year ended		Year ended		Year ended		Year ended		Year ended	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
1	Advance Recoverable	-	-	3.14	2.46	-	-	-	-	3.14	2.46
2	Trade Receivable	-	-	-	-	3.26	-	-	-	3.26	-
3	Commission Payable to Key managerial Personnel	-	-	-	-	-	-	289.37	282.78	289.37	282.78
	Total	-	-	3.14	2.46	3.26	-	289.37	282.78	295.77	285.24

(H) Loans to/from related parties

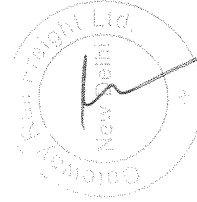
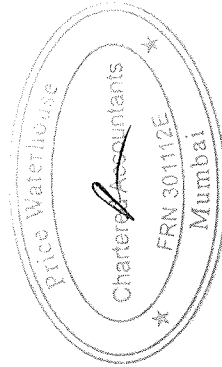
No loan has been given/ received to/ from any related parties.

Terms and Conditions

Services provided from/to related parties are generally priced at arm's length. Other reimbursement of expenses to/from related parties is on Cost basis.

All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are repayable/ receivable in cash.



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

The company had contingent liabilities at 31 March 2017 in respect of the following:

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Not Ascertainable	Ascertainable	Not Ascertainable	Ascertainable	Not Ascertainable	Ascertainable
Bank Guarantees and Continuity Bonds executed in favour of The President of India through the Commissioners of Excise and Customs and Sales Tax		357,428.00		307,428.00		307,953.00
Claims made by the parties not acknowledged as debts:						
- Container Corporation of India [Refer Note (i) below]		148.94		148.94		148.94
- Northern Railway [Refer Note (ii) below]		164.26		-		-
- Disputed Income Tax Claims						

(i) The Company and its Joint Venturer Company, Gateway Distriparks Limited ("GDL") are involved in an arbitration proceeding with Container Corporation of India Limited ("Concor") in respect of agreements entered into by the parties for operation of container trains from the Inland Container Depot and Rail Siding of the Company at Garhi Harsaru, Gurgaon. Concor has raised claims on the Company and GDL on various issues in respect to the aforesaid agreements. Based on legal opinion, the Management has taken a view that these claims are at a preliminary stage and the question of maintainability of the alleged disputes as raised by Concor under the aforesaid agreements is yet to be determined and are not sustainable. Pending conclusion of the arbitration, the parties are maintaining "status quo" in respect of the operations at Garhi Harsaru, Gurgaon.

(ii) The Railway Authorities had deducted Rs. 148.44 Lakhs towards Siding & Shunting charges for financial year 2010-11, however letter has been received in April'13 from Railway Authorities that the deduction made by Railways is not justified and will be refunded back to the company. However till now the Company has not received the money, hence the same has been disclosed as 'Claims made by the parties not acknowledged as debts'.

32 COMMENTS:

a) Capital Commitments:

Capital expenditure contracted (net of capital advance) for at the end of the reporting period but not recognised as liabilities as follows:

Particulars	31 March 2017	31 March 2016	01 April 2015
Property, plant and equipment (Net of Capital Advance of Rs. 135.74 Lakhs (31 March 2016: Rs. 38.00 Lakhs, 1 April 2015: Rs. 29.44 Lakhs)	5,804.91	6,654.46	4,870.57
Intangible assets (Net of Capital Advance of Rs. NA (31 March 2016: Rs. NA, 1 April 2015: Rs. NA)	-	-	-

b) Non-Cancellable operating leases:

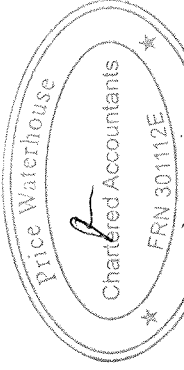
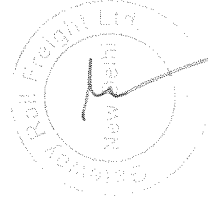
The Company has taken office premises and land under non-cancellable operating lease and lease rent of Rs. 14.40 Lakhs (Previous Year Rs. 45.79 Lakhs) has been included under the head 'Other Expenses - Rent' under Note "24" in the Statement of Profit and Loss. On renewal, the terms of the leases are renegotiated.

Particulars	31 March 2017	31 March 2016	01 April 2015
Commitment for minimum lease payments in relation to non - cancellable operating leases are payable as follows			
Within one year	14.40	14.40	37.39
Later than one year but no later than five years	63.68	61.32	-
Later than five years	42.11	58.87	-

Rental expenses relating to operating leases

Particulars	31 March 2017	31 March 2016
Minimum Lease Payments	14.40	45.79
Total Rental Expenses relating to operating leases	14.40	45.79

In addition, the Company has entered into various cancellable leasing arrangements for office premises and land in respect of which an amount of Rs. 659.09 Lakhs (Previous Year Rs. 847.33 Lakhs) has been appropriately included under 'Other Expenses - Rent' under Note "24" in the Statement of Profit and Loss.



33 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.

(a) Basic and Diluted earnings per share

Particulars	2016-2017	2015-2016
Basic and Diluted earnings per share attributable to the equity holders of the company	0.99	1.29

(b) Reconciliation of earnings used in calculating earnings per share

Particulars	2016-2017	2015-2016
Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share	3,969.20	5,184.43

(c) Weighted average number of shares used as the denominator

Particulars	2016-2017	2015-2016
Weighted average number of ordinary equity shares	2,015.00	2,015.00
Weighted average number of ordinary equity shares to be issued upon conversion of compulsory convertible preference shares	2,006.96	2,006.96
Total Number of shares used as the denominator for calculating earning per share	4,021.96	4,021.96

(d) Information concerning the classification of securities

Compulsorily Convertible Preference Shares (CCPS): 1,200.00 Lakhs Compulsory Convertible Preference Shares of Rs. 24.65 each were issued in August 2010 to Blackstone GPV Capital Partners (Mauritius) V-H Limited (Blackstone) against cash. The Holders of CCPS shall also be entitled to participate in dividends issued by the Group over and above the Preferred Dividend on an 'as-if converted' basis. Subject to applicable laws, holders of CCPS shall have the voting rights to vote on all matters to be decided by the Group as if the CCPS had been converted into Equity Shares at the Conversion ratio. These CCPS represents 2,006.96 Lakhs underlying equity shares which will be issued to the holders on the date of conversion. These CCPS shall be converted by the expiry of 19 (Nineteen) years from the Completion date.

34 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

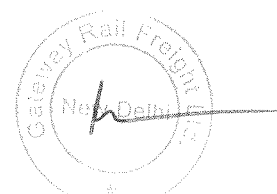
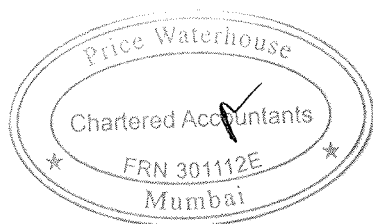
(a) Collateral against borrowings

All current and non-current assets of the company are pledged as security against debt facilities from the lender. For carrying amount of assets pledged as security refer note 35.

35 ASSETS PLEDGE AS SECURITY

The carrying amounts of assets pledged as security for current and non - current borrowings are :

Particulars	31 March 2017	31 March 2016	01 April 2015
Current Assets			
Financial Assets			
<i>First Charge</i>			
- Current Investments	30,153.58	13,811.54	8,100.00
- Trade Receivables	6,586.61	6,020.63	7,137.44
- Cash and Cash Equivalents	610.30	773.31	785.43
- Bank Balances other than above	204.97	306.18	561.32
- Others	1,019.50	999.61	659.41
	38,574.95	21,911.27	17,243.60
Non Financial Assets			
Other Current Assets	537.30	780.64	662.68
	537.30	780.64	662.68
Total Current Assets pledged as Security	39,112.25	22,691.91	17,906.28
Non-Current Assets			
<i>First Charge</i>			
Property, Plant and Equipment	77,629.99	72,966.54	66,807.75
Capital Work-in-Progress	665.68	5,647.71	2,963.48
Other intangible assets	2,826.94	2,991.73	3,055.13
Other Non-current Assets	1,078.33	1,009.18	1,038.74
Total Current Assets pledged as Security	82,200.94	82,615.16	73,865.10
Total Assets pledged as Security	121,313.19	105,307.07	91,771.38



36 FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The Accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provision of the Act (previous GAAP or Indian GAAP)

An explanation of how the transition from previous from GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exception availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first - time adopter to elect to continue with the carrying value for all of its property, plant and equipment and investment in joint venture recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets and investment in joint venture at their previous GAAP carrying value.

A.1.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts /arrangements

A.1.3 Compound Financial Instruments

Under Ind AS 32, entities should split compound financial instruments into separate equity and liability components. Ind AS 101 provides that if the liability component is no longer outstanding at the date of transition, a first-time adopter does not have to separate it from the equity component.

The Company has elected to apply this exemption for such instrument.

A.1.4 Long-term foreign currency monetary items

Under previous GAAP, paragraph 46/46A of AS 11 The Effects of Changes in Foreign Exchange Rates, provided an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. In other cases, the exchange difference could be accumulated in a foreign currency monetary item translation difference account, and amortised over the balance period of such long term asset/ liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

The Company has elected to apply this exemption for long-term foreign currency monetary items recognized in the financial statements as on 31 March 2016.

A.2 Ind AS mandatory exceptions

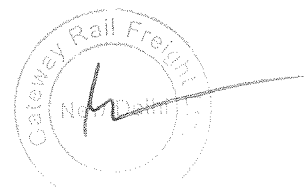
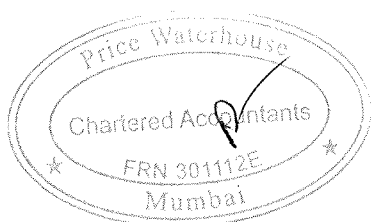
A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Previous GAAP.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (01 April 2015)

Particulars	Notes to first time adoption	Previous GAAP *	Adjustment	Ind AS
ASSETS				
Non-Current assets				
Property, Plant and Equipment	C1	66,807.78	-	66,807.78
Capital Work-in-Progress		2,963.48	-	2,963.48
Other Intangible Assets		3,055.13	-	3,055.13
Investment in Joint Venture	C2	-	-	-
Financial Assets				
(i) Other Financial Assets	C3	259.99	(35.87)	224.12
Deferred Tax Assets (Net)	C4	2,146.06	(180.76)	1,965.30
Other Non-Current Assets	C3	1,011.00	27.74	1,038.74
Total Non-current assets		76,243.44	(188.89)	76,054.55
Current Assets				
Financial Assets				
(i) Investments	C2	8,100.00	-	8,100.00
(ii) Trade Receivables		7,137.43	-	7,137.43
(iii) Cash and Cash Equivalents		785.43	-	785.43
(iv) Bank Balances other than (iii) above		561.32	-	561.32
(v) Other Financial Assets		435.28	-	435.28
(vi) Loans		-	-	-
Current Tax Asset (Net)		150.65	-	150.65
Other Current Assets	C3	658.61	4.06	662.67
Total current assets		17,828.72	4.06	17,832.78
Total Assets		94,072.16	(184.83)	93,887.33
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		20,150.03	-	20,150.03
Instruments Entirely Equity in Nature	C5	29,580.00	-	29,580.00
Other Equity				
Equity component of compound financial instruments	C5, C4	-	865.67	865.67
Reserve & Surplus	C8	15,615.29	(3,427.64)	12,187.65
Total Equity		65,345.32	(2,561.97)	62,783.35
LIABILITIES				
Non-Current liabilities				
Financial liabilities				
(i) Borrowings	C6, C5	21,065.21	2,377.14	23,442.35
Employee Benefit Obligations	C9	405.12	-	405.12
Total Non-Current Liabilities		21,470.33	2,377.14	23,847.47
Current liabilities				
Financial liabilities				
(i) Borrowings		653.92	-	653.92
(ii) Trade Payables		3,519.47	-	3,519.47
(iii) Other Financial Liabilities		2,723.73	-	2,723.73
Employee Benefit Obligations	C9	39.59	-	39.59
Other Current Liabilities		319.80	-	319.80
Total Current Liabilities		7,256.51	-	7,256.51
Total Liabilities		28,726.84	2,377.14	31,103.98
Total Equity and Liabilities		94,072.16	(184.83)	93,887.33

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

Reconciliation of equity as at 31 March 2016

Particulars	Notes to first time adoption	Previous GAAP *	Adjustment	Ind AS
ASSETS				
Non-Current assets				
Property, Plant and Equipment	C1, C4	72,935.43	31.10	72,966.53
Capital Work-in-Progress		5,647.72	-	5,647.72
Other Intangible Assets		2,991.73	-	2,991.73
Investment in Joint Venture	C2	-	-	-
Financial Assets				
(i) Other Financial Assets	C3	560.14	(35.56)	524.58
Deferred Tax Assets (Net)	C4	825.30	(184.77)	640.53
Other Non-Current Assets	C3	982.73	26.45	1,009.18
Total Non-current assets		83,943.05	(162.78)	83,780.27
Current Assets				
Financial Assets				
(i) Investments	C2, C4	13,809.22	2.33	13,811.55
(ii) Trade Receivables		6,020.63	-	6,020.63
(iii) Cash and Cash Equivalents		773.31	-	773.31
(iv) Bank Balances other than (iii) above		306.18	-	306.18
(v) Other Financial Assets		475.03	-	475.03
(vi) Loans		-	-	-
Current Tax Asset (Net)		174.41	-	174.41
Other Current Assets	C3	776.21	4.44	780.65
Total current assets		22,334.99	6.77	22,341.76
Total Assets		106,278.04	(156.01)	106,122.03
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		20,150.03	-	20,150.03
Instruments Entirely Equity in Nature	C5	29,580.00	-	29,580.00
Other Equity				
Equity component of compound financial instruments	C5, C4	-	865.67	865.67
Reserve & Surplus	C8	21,683.68	(4,311.60)	17,372.08
Total Equity		71,413.71	(3,445.93)	67,967.78
LIABILITIES				
Non-Current liabilities				
Financial liabilities				
(i) Borrowings	C6, C5	27,762.78	3,289.92	31,052.70
Employee Benefit Obligations	C9	329.86	-	329.86
Total non-current Liabilities		28,092.64	3,289.92	31,382.56
Current liabilities				
Financial liabilities				
(i) Borrowings		-	-	-
(ii) Trade Payables		3,367.86	-	3,367.86
(iii) Other Financial Liabilities		2,853.98	-	2,853.98
Employee Benefit Obligations	C9	90.07	-	90.07
Other Current Liabilities		459.78	-	459.78
Total Current Liabilities		6,771.69	-	6,771.69
Total Liabilities		34,864.33	3,289.92	38,154.25
Total Equity and Liabilities		106,278.04	(156.01)	106,122.03

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Notes to first time adoption	Previous GAAP *	Adjustment	Ind AS
Revenue from operations		73,041.16	1,275.16	74,316.32
Other Income	C3	1,191.91	(422.75)	769.16
Total Income		74,233.07	852.41	75,085.48
Expenses				
Operating Expenses		52,179.70	905.11	53,084.81
Employee Benefits Expenses	C7, C9	2,177.99	31.96	2,209.95
Finance Costs	C6	1,319.03	912.78	2,231.81
Depreciation and Amortisation Expenses	C1	4,984.36	4.07	4,988.43
Other Expenses	C1, C3	4,333.31	(89.10)	4,244.21
Total Expenses		64,994.39	1,764.82	66,759.21
Profit before exceptional items and tax		9,238.68	(912.41)	8,326.27
Exceptional items		-	-	-
Profit before tax from continuing operation		9,238.68	(912.41)	8,326.27
Income Tax Expense				
Current Tax		1,849.54	-	1,849.54
Deferred Tax		1,320.74	(7.22)	1,313.52
Total Tax expense		3,170.28	(7.22)	3,163.06
Profit from Continuing Operations		6,068.40	(905.19)	5,163.21
Profit from Discontinued Operations		-	-	-
Profit for the year		6,068.40	(905.19)	5,163.21
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations	C9	-	32.45	32.45
Income tax relating to post-employment benefit obligations	C9	-	(11.23)	(11.23)
Total Comprehensive Income		6,068.40	(883.97)	5,184.43

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

Reconciliation of total equity as at 31 March 2016 and 01 April 2015

Particulars	Notes to first time adoption	31 March 2016	01 April 2015
Total Equity (Shareholder's funds) as per previous GAAP		82,913.71	76,845.31
Adjustments			
Fair Value of Investments	C2	2.33	-
Interest on Zero Coupon Redeemable Preference Shares	C5	(4,339.59)	(3,435.93)
Fair Value of Zero Coupon Redeemable Preference Shares	C5	(10,466.58)	(10,466.58)
Fair Value of Security Deposits	C3	(4.67)	(4.05)
Borrowings - Transaction Cost Adjustment	C6	16.25	25.37
Capitalization of Overhauling Cost	C1	35.17	-
Depreciation on Overhauling Cost Capitalized	C1	(4.07)	-
Deferred Tax Liabilities	C4	(184.77)	(180.77)
Total Adjustments		(14,945.93)	(14,061.96)
Total Equity as per Ind AS		67,967.78	62,783.35



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Financial Statements for the year ended 31 March 2017

Reconciliation of total comprehensive income for the year ended 31 March 2016

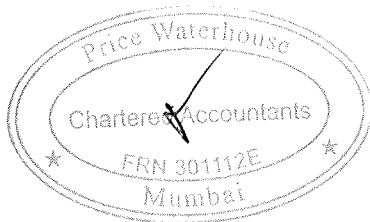
Particulars	Notes to first time adoption	31 March 2016
Profit after tax as per previous GAAP		6,068.40
Adjustments :		
Fair Value of Investments	C2	2.33
Fair Value of Zero Coupon Redeemable Preference Shares	C5	(903.67)
Fair Value of Security Deposits	C3	(0.62)
Borrowings - Transaction Cost Adjustment	C6	(9.12)
Capitalization of Overhauling Cost	C1	35.17
Depreciation on Overhauling Cost Capitalized	C1	(4.07)
Remeasurements of post-employment benefit obligations	C7	(21.22)
Income tax and Deferred tax relating to these items	C4	(4.01)
Profit After Tax as per Ind AS		5,163.21
Other Comprehensive income	C9	21.22
Total Comprehensive income as per Ind AS		5,184.43

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	Previous GAAP	Adjustment	Ind AS
Net Cash flow from operating activities	13,964.08	(328.94)	14,293.02
Net Cash flow from investing activities	(18,279.31)	328.94	(18,608.25)
Net Cash flow from financing activities	4,303.11	-	4,303.11
Net Increase / (decrease) in cash and cash equivalent	(12.12)	-	(12.12)
Cash and cash equivalents as at 1 April 2015	785.43	-	785.43
Cash and cash equivalents as at 31 March 2016	773.31	-	773.31

Analysis of change in cash and cash equivalents for the purpose of statement of cash flows under Ind AS:

Particulars	31 March 2016	01 April 2015
Cash and cash equivalents as per previous GAAP	773.31	785.43
Bank overdrafts	-	-
Cash and cash equivalents for the purpose of statement of cash flows	773.31	785.43



C. Notes to first-time adoption**C1: Capitalization of Overhauling**

Under previous GAAP, Overhauling Cost of Reach Stackers were recognised as an expense. Ind AS 16 requires overhauling cost is required to be capitalized as a separate component and to de-recognise the original amount included in the cost of the asset.

As a result of this change, the Tangible Assets has increased by Rs. 31.10 Lakhs (01 April 2015 Rs. Nil) net of increased Depreciation by Rs. 4.07 Lakhs (01 April 2015 Rs. Nil). Total equity increased by Rs. 31.10 Lakhs.

C2: Fair valuation of investment

Under Previous GAAP, Investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investment were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investment have been recognised in the profit and loss for the year ended 31 March 2016.

Consequent to the above, the total equity as at 31 March 2016 increased by Rs. 2.34 Lakhs (01 April 2015 - Rs. Nil) and profit and total comprehensive income for the year ended 31 March 2016 increased by Rs. 2.34 Lakhs.

C3: Security Deposit

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent. Consequently to this Change, the amount of security deposits decreased by Rs. 35.56 Lakhs as at 31 March 2016 (01 April 2015- Rs. 35.87 Lakhs). The prepaid rent increased by Rs. 30.89 Lakhs as at 31 March 2016 (01 April 2015- Rs. 31.81 Lakhs). Total equity decreased by Rs. 4.05 Lakhs as on 01 April 2015. The profit for the year and total equity as at 31 March 2016 decreased by Rs. 0.62 Lakhs due to amortisation of the prepaid rent of Rs. 4.29 Lakhs which is partially off-set by the notional interest income of Rs. 3.67 Lakhs recognised on security deposits.

C4: Deferred Tax

Deferred tax have been recognised accordingly on the adjustments made on transition to Ind AS.

C5: Compound Financial Instrument

Under previous GAAP, Preference shares were recognised as Equity Capital. Under Ind AS, Redeemable preference shares are to be considered as liability. Further, all financial liabilities are required to be fair valued. Zero coupon redeemable preference shares being a compound financial instrument, Company is required to split the compound financial instrument into separate equity and liability component. Ind AS 101 provides that if the liability component is no longer outstanding as on the date of transition, a first time adopter does not have to separate it from equity component.

Consequent to this change, company has fair valued zero coupon redeemable preference shares as on the date of inception. The instrument has been reclassified as debt Rs. 11,500.00 Lakhs and split into equity component Rs. 1,033.42 Lakhs and Rs. 10,466.58 Lakhs as liability component as at 01 April 2015. The total equity has reduced by Rs. 4,339.59 Lakhs as at 31 March 2016 (01 April 2015 Rs. 3,435.93 Lakhs). The profit for the year and total equity as at 31 March 2016 decreased by 903.66 Lakhs on account of interest on liability component. Further Deferred tax of Rs. 167.75 Lakhs has been created on equity component on zero coupon redeemable preference shares.

Further, Company has issued compulsory convertible preference shares. Since the conversion ratio has been fixed, there is no liability component outstanding as on the date of transition. Accordingly, company has reclassified Rs. 29,580.00 Lakhs as Instruments Entirely Equity in Nature from share capital. There is no impact on total equity.

C6: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowings as part of the interest expense by applying the effective interest rate method.

Under Previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 31 March 2016 have been decreased by Rs. 16.25 Lakhs (01 April 2015 - Rs. 25.37 Lakhs) with corresponding adjustment to retain earnings. The total equity decreased by equivalent amount. The profit for the year 31 March 2016 reduced by Rs. 9.12 Lakhs as a result of the additional interest expenses.

C7: Remeasurement of post- employment benefit obligation

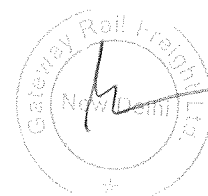
Under Ind AS, remeasurement i.e. actuarial gains and losses on defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2016 decreased by Rs. 32.45 Lakhs. There is no impact on the total equity as at 31 March 2016.

C8: Retained Earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

C9: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.



37 DISCLOSURE OF UNHEDGED EXPOSURE:

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2017 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount 31 March 2017	Amount (In Lakhs) 31 March 2017	Foreign Currency Amount 31 March 2016	Amount (In Lakhs) 31 March 2016
Buyers' Credit	EURO	18.50	1,309.86	12.40	936.69
Interest Accrued but not due on Buyers' Credit	EURO	0.08	2.18	0.03	2.25

38 DUES TO MICRO AND SMALL ENTERPRISES

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

Particulars	31 March 2017		31 March 2016	
	Non-current	Current	Non-current	Current
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	78.01	-	55.05
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-	-
Further interest remaining due and payable for earlier years	-	-	-	-

39 DETAILS OF SPECIFIED BANK NOTES

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBN's*	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	22.33	3.35	25.68
(+) Permitted receipts	-	42.30	42.30
(-) Permitted payments	22.33	40.45	62.78
(-) Amount deposited in Banks	-	0.73	0.73
Closing cash in hand as on 30.12.2016	-	4.47	4.47

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

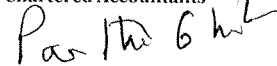
40 EVENTS OCCURRING AFTER THE REPORTING PERIOD

i) Blackstone GPV Capital Partners (Mauritius) VH Limited ("Blackstone") had invested in Compulsory Convertible Preference Shares ("CCPS") of the Company. Blackstone have sent a letter dated 31 March 2017, asking the Company to immediately give effect to the conversion of the CCPS held by them into fully paid up equity shares in the Company. The conversion process will happen in due course of time, as per provisions of the agreement.

ii) Mr. Mathew Cyriac, Nominee director of Blackstone GPV Capital Partners (Mauritius) V-H Ltd., has resigned from the board w.e.f April 07, 2017.

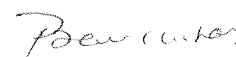
41 Previous year figures have been regrouped and reclassified to conform with current year's classification.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Partha Ghosh
Partner
Membership No.: 055913

For and on behalf of the Board of Directors



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



Sachin Surendra Bhanushali
Director and Chief Executive Officer
DIN:- 01479918



B. K. Sahoo
Chief Finance Officer



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

Place: New Delhi
Date: MAY 17, 2017

Place: New Delhi
Date: MAY 17, 2017