

INDEPENDENT AUDITOR'S REPORT

To the Members of Gateway Rail Freight Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Gateway Rail Freight Limited ("the Holding Company") and one joint venture, which comprise the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including the statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 Holding Company and joint venture as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Holding Company and its joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Consolidated Ind AS Financial Statements

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

In preparing the consolidated Ind AS financial statements, management is responsible for assessing the Holding Company and its joint venture's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its joint venture or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Holding Company and its joint venture's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial



statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

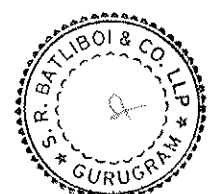
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its joint venture has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Holding Company and its joint venture's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

- (a) The consolidated Ind AS financial statements include the Holding Company's share of net profit of Rs. NIL for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements, other financial information have been audited by other auditor and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of such joint venture and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of such other auditor. Our opinion is not modified in respect of this matter.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act based on our audit and on the consideration of report of the other auditor on separate financial statements, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Holding Company and its joint venture so far as it appears from our examination of those books and report of the other auditor;
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the consolidated Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its joint venture with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its joint venture to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



S.R. BATLIBOI & CO. LLP

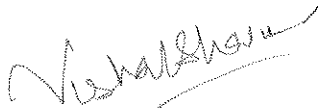
Chartered Accountants

- i. The Holding Company and its joint venture has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note 31 to the consolidated Ind AS financial statements;
- ii. The Holding Company and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its joint venture.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Vishal Sharma

Partner

Membership Number: 096766

Place of Signature: Gurugram

Date: May 13, 2019



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GATEWAY RAIL FREIGHT LIMITED

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

In conjunction with our audit of the consolidated financial statement of Gateway Rail Freight Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Gateway Rail Freight Limited (hereinafter referred to as the "Holding Company") and its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Director of Holding Company and its joint venture, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these financial statements

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

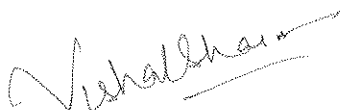
Opinion

In our opinion, the Holding Company and its joint venture, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Vishal Sharma

Partner

Membership No.: 096766

Place of Signature: Gurugram

Date: May 13, 2019



GATEWAY RAIL FREIGHT LIMITED
CIN: U60231DL2005PLC138598
Consolidated Balance Sheet as at 31 March 2019
(All amounts in Lakhs, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	76,639.18	79,103.12
Capital work-in-progress	3(a)	159.59	1,141.68
Other Intangible Assets	4	2,306.95	2,566.94
Investment in Joint Venture	5	-	-
Financial Assets			
(i) Other Financial Assets	6(e)	660.73	376.20
(ii) Loans	6(f)	-	-
Income Tax Assets (net)	9	947.70	729.99
Other Non-Current Assets	8	558.61	831.90
Total Non-Current Assets		81,272.76	84,749.83
Current Assets			
Financial assets			
(i) Investments	6(a)	2,222.04	9,782.18
(ii) Trade Receivables	6(b)	7,598.00	7,387.30
(iii) Cash and Cash Equivalents	6(c)	573.42	3,499.49
(iv) Bank Balances other than (iii) above	6(d)	2.86	-
(v) Other Financial Assets	6(e)	408.23	727.52
Other Current Assets	10	741.25	805.74
Total Current Assets		11,545.80	22,202.23
TOTAL ASSETS		92,818.56	106,952.06
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11(a)	20,150.03	20,150.03
Instruments Entirely Equity in Nature	11(b)	29,580.00	29,580.00
Other Equity			
Reserve & Surplus	11(c)	17,001.12	29,646.17
Total Equity		66,731.15	79,376.20
LIABILITIES			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	12	11,815.11	15,142.09
Employee Benefit Obligations	13	673.57	453.44
Deferred Tax Liabilities (net)	7	785.62	841.46
Government Grant (EPCG)	18	358.97	401.68
Total Non-Current Liabilities		13,633.27	16,838.67
Current Liabilities			
Financial liabilities			
(i) Borrowings	14	1,033.21	1,001.65
(ii) Trade Payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	15	131.06	185.88
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	15	4,283.50	3,908.42
(iii) Other Financial Liabilities	16	5,035.70	4,123.08
Employee Benefit Obligations	13	70.60	84.77
Other Current Liabilities	17	1,817.00	1,349.55
Government Grant (EPCG)	18	83.07	84.03
Total Current Liabilities		12,454.14	10,737.19
TOTAL LIABILITIES		26,087.41	27,575.86
TOTAL EQUITY AND LIABILITIES		92,818.56	106,952.06

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

For and on behalf of the Board of Directors of
Gateway Rail Freight Limited

Vishal Sharma

per Vishal Sharma
Partner
Membership No. : 96766



Prem Kishan Dass Gupta

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

Sachin Surendra Bhamushali

Sachin Surendra Bhamushali
Director, Chief Executive Officer
and Chief Financial Officer
DIN:- 01479918

Nandan Chopra

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

Place: New Delhi
Date: May 13, 2019

Place: New Delhi
Date: May 13, 2019

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231DL2005PLC138598
Consolidated Statement of Profit and Loss for the year ended 31 March, 2019
(All amounts in Lakhs, unless otherwise stated)

	Notes	Year Ended 31 March 2019	Year Ended 31 March 2018
Continuing Operations			
Revenue From Operations	19	86,741.46	78,879.96
Other Income	20	1,023.65	1,391.57
Total Income		87,765.11	80,271.53
EXPENSES			
Operating Expenses	21	56,749.94	54,823.40
Employee Benefits Expenses	22	3,895.10	2,818.11
Depreciation and Amortisation Expenses	23	5,732.31	5,589.57
Finance Costs	24	1,460.31	2,035.51
Other Expenses	25	6,009.47	5,249.50
Total Expenses		73,847.13	70,516.09
Profit before share of net profit of investment accounted using equity method and tax		13,917.98	9,755.44
Share of net profit of joint venture accounted using the equity method		-	-
Profit before tax		13,917.98	9,755.44
Income Tax Expense	26		
-- Current Year		2,815.94	1,893.67
-- Deferred Tax		(30.29)	(456.31)
Total Tax Expense		2,785.65	1,437.36
Profit for the year		11,132.33	8,318.08
Other Comprehensive Income <i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	13	(73.13)	(20.17)
Income tax relating to the above		25.55	6.98
Other Comprehensive Income for the year, net of tax		(47.58)	(13.19)
Total Comprehensive Income for the year		11,084.75	8,304.89
Earnings per equity share	34		
-- Basic and Diluted earnings per share (INR)		2.76	2.06

The above statement of profit and loss should be read in conjunction with the accompanying notes.
In terms of our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

per Vishal Sharma
Partner
Membership No. : 96766



Place: New Delhi
Date: May 13, 2019

For and on behalf of the Board of Directors of
Gateway Rail Freight Limited

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

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

Place: New Delhi
Date: May 13, 2019

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

Consolidated Statement of changes in equity for the year ended 31 March 2019

A Equity Share Capital

Particulars	Amount
As at 1 April 2017	20,150.03
Changes in equity share capital	-
As at 31 March 2018 (Refer Note 11)	20,150.03
Changes in equity share capital	-
As at 31 March 2019 (Refer Note 11)	20,150.03

B Instruments entirely equity in nature - Compulsory Convertible Preference Shares


Particulars	Amount
As at 1 April 2017	29,580.00
As at 31 March 2018 (Refer Note 11)	29,580.00
As at 31 March 2019 (Refer Note 11)	29,580.00

C Other Equity attributable to equity shareholders

Particulars	Equity component of compound financial instrument	Reserves and Surplus			Total
		Security Premium Reserve	Capital Redemption Reserve (Refer Note 39)	Retained Earnings	
Balance as at 1 April 2017	865.67	132.05	-	21,209.23	22,206.95
Profit for the year	-	-	-	8,318.08	8,318.08
Other comprehensive income, net of tax	-	-	-	(13.19)	(13.19)
Total comprehensive income for the year	-	-	-	8,304.89	8,304.89
Transfer (from) / to retained earnings	-	-	11,500.00	(11,500.00)	-
Redemption of Equity component of compound financial instrument	(865.67)	-	-	-	(865.67)
Balance as at 31 March 2018	-	132.05	11,500.00	18,014.12	29,646.17
Less: Impact on adoption of Ind AS 115	-	-	-	24.16	24.16
Restated Balance as at 1 April 2018	-	132.05	11,500.00	17,989.96	29,622.01
Profit for the year	-	-	-	11,132.33	11,132.33
Other comprehensive income, net of tax	-	-	-	(37.58)	(37.58)
Total comprehensive income for the year	-	-	-	11,094.75	11,094.75
Cash dividends	-	-	-	19,663.71	19,663.71
Dividend distribution tax	-	-	-	4,041.93	4,041.93
Balance as at 31 March 2019	-	132.05	11,500.00	5,369.07	17,001.12

The above Statement of changes in equity should be read in conjunction with the accompanying notes in terms of our report of even date.

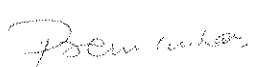
For S.R. Batliboi & Co. LLP
 Chartered Accountants
 ICAI Firm registration number : 301003E/E300005



 per Vishal Sharma
 Partner
 Membership No. : 96766




Place: New Delhi
 Date: May 13, 2019

For and on behalf of the Board of Directors of
 Gateway Rail Freight Limited


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


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


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

Place: New Delhi
 Date: May 13, 2019

GATEWAY RAIL FREIGHT LIMITED

CIN: U60231DL2005PLC138598

Consolidated Statement of Cash Flow for the year ended 31 March 2019


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

Cash and Cash Equivalents as per above comprise of the following

	<u>Notes</u>	<u>Year Ended 31 March 2019 Rupees in Lakhs</u>	<u>Year Ended 31 March 2018 Rupees in Lakhs</u>
Cash and Cash Equivalents	6(e)	12.46	26.10
Bank Balance in Current Account	6(e)	533.27	773.39
Cheques on hand	6(e)	27.69	-
Bank Deposits with maturity of period less than 3 months	6(e)	-	2,700.00
		<u>573.42</u>	<u>3,499.49</u>
Bank Overdrafts	14	<u>(540.23)</u>	<u>(496.06)</u>
Balances per statement of cash flows		<u>33.19</u>	<u>3,003.43</u>

The above statement of cash flow should be read in conjunction with the accompanying notes.
in terms of our report of even date.

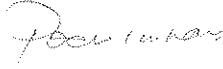
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number. : 301003E/E300005



per Vishal Sharma
Partner
Membership No. : 96766



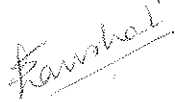
Place: New Delhi
Date: May 13, 2019

For and on behalf of the Board of Directors of
Gateway Rail Freight Limited


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


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

Place: New Delhi
Date: May 13, 2019


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

GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

43 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. The Group intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

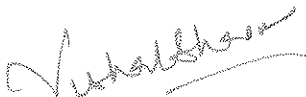
For S.R. Batliboi & Co. LLP

Chartered Accountants

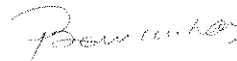
ICAI Firm registration number : 301003E/E300005

For and on behalf of the Board of Directors of

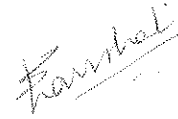
Gateway Rail Freight Limited



per Vishal Sharma
Partner
Membership No. : 96766



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



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



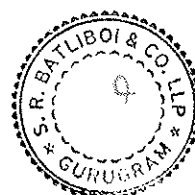
Nandan Chopra
Senior Vice President
(Finance and Accounts) and
Company Secretary

Place: New Delhi
Date: May 13, 2019

Place: New Delhi
Date: May 13, 2019

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231DL2005PLC338598
Consolidated Statement of Cash Flow for the year ended 31 March 2019

	Notes	Year Ended 31 March 2019 Rupees in Lakhs	Year Ended 31 March 2018 Rupees in Lakhs
A. Cash flow from operating activities:			
Profit Before income tax from			
Continuing Operations		13,917.98	9,755.44
Discontinued operations		-	-
Adjustments for:			
Depreciation and amortisation expense	23	5,732.31	5,589.57
Provision for Doubtful Debts (Net)	25	90.99	6.86
Provision for Doubtful Ground Rent (Net)	25	21.88	(32.11)
Provision for Doubtful Advances	25	-	12.09
Gain on sale of investments (Net)	20	(572.52)	(752.44)
Changes in fair value of financial assets at fair value through profit or loss	20	(22.04)	(277.79)
Loss/ (Gain) on Sale of Property, Plant & Equipment	25	24.41	0.20
Finance Costs	24	1,460.31	2,035.51
Dividend Income classified as investing cash flows	20	(27.67)	-
Interest Income classified as investing cash flows	20	(74.21)	(57.12)
Net exchange differences	20	(20.94)	71.37
Liabilities/ Provisions no Longer Required Written Back	20	(102.86)	(121.13)
Operating Profit before working capital changes		20,427.64	16,230.45
Change in Operating assets and liabilities:			
-(Increase)/ Decrease in Trade Receivables	6(b)	(301.71)	(1,202.85)
- Increase/ (Decrease) in Trade Payables	15	423.13	756.14
-(Increase)/ Decrease in Other Financial Assets	6(e)	(8.49)	(103.62)
-(Increase)/ Decrease in Other Current Assets	10	64.49	(268.44)
-(Increase)/ Decrease in Other Non Current Assets	8	4.04	18.56
-(Increase)/ Decrease in Other Bank Balances Not considered as Cash and Cash Equivalents	6(d)	(2.86)	204.97
- Increase/ (Decrease) in Employee Benefit Obligation	13	132.83	(3.63)
- Increase/ (Decrease) in Other Financial Liabilities	16	702.30	232.30
- Increase/ (Decrease) in Other Current Liabilities	17	467.65	597.65
Cash generated from operations		21,909.02	16,461.54
- Income Taxes Paid	9	3,033.65	1,995.08
Net cash inflow from operating activities	(A)	18,875.37	14,466.46
B. Cash flow from investing activities :			
Purchase of Property, Plant and equipment	3	(2,381.40)	(6,506.63)
Proceeds from Property, Plant and equipment	3	132.32	3.32
(Increase)/ Decrease in Fixed Deposits with Banks	6(e)	(58.50)	80.93
Payments for purchase of Investments	6(a)	(2,200.00)	(9,504.39)
Proceeds from sale of Investments	6(a)	10,382.37	30,906.02
Interest Received	20	129.89	15.60
Net cash outflow from investing activities	(B)	6,004.68	14,994.85
C. Cash flow from financing activities :			
Proceeds of Long-Term Borrowings	12	-	376.26
Repayment of Long-Term Borrowings	12	(2,685.54)	(23,776.47)
Repayment of Equity Component of Compound Financial Instrument		-	(865.67)
Dividend Paid to Share holders		(19,663.71)	-
Dividend Distribution Tax		(4,041.93)	-
Interest Paid	24	(1,459.11)	(2,083.07)
Net cash inflow from financing activities	(C)	(27,850.20)	(26,348.95)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(A+B+C)	(2,979.24)	3,112.36
Cash and Cash Equivalents at the beginning of the year	6(c)	3,003.43	(108.93)
Cash and Cash Equivalents at the end of the year		33.19	3,003.43



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

Background

Gateway Rail Freight Limited (the 'Group') is engaged in providing inter-modal logistics services. 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 Group operates from its four owned ICD's at Garhi Harsaru (Gurgaon), Sanehwal (Ludhiana), Asaoti (Faridabad) and Virangham (Ahmedabad) and a private freight terminal at Navi Mumbai under agreement. The Group owns and operates through its rakes and a fleet of trailers.

The financial statements were authorised for issue in accordance with a resolution of the directors on 13 May 2019.

1 SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Basis of Preparation:

(i) Compliance With Ind AS

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

(ii) Historical Cost Convention

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

- Certain financial assets and liabilities that is measured at fair value.
- Define benefit plan-plan assets measured at fair value; and

(iii) Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

(b) Investment in Joint Venture

Investment in Joint Venture are recognised at cost as per Ind AS 27 in these separate financial statements.

(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 Group.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Group. The Group has identified one reportable segment "Rail Logistics Business" i.e. based on the information reviewed by CODM. Refer note 30 for segment information presented.

(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 the Group's functional and presentation currency.

(ii) Transactions and balances

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

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

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



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, the Group 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 from contracts with customers

Group derives revenue from providing inter-modal logistics services 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.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition

- Identify the contract(s) with a customer
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognise revenue when or as an entity satisfies performance obligation

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services, because it typically controls the services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties

Rendering of services :

(i) Income from Rail transportation is recognised on the basis of actual journey completed as at year end.

(ii) Income from Road transportation is recognised on proportionate completion of the movement and delivery of goods to the party/ designated place.

(iii) Income from Container handling, storage and transportation are recognised on proportionate completion of the movement and delivery of goods to the party/designated place.

(iv) Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station. However, in case of long standing containers, the income from Ground Rent is not accrued for a period beyond 60 days as on the basis of past history the collectability is not reasonably assured.

(v) Income from auction is recognised when the Group 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 sales include recovery of the cost incurred in conducting auctions, custom duties on long-standing cargo and accrued ground rent and handling charges relating to long-standing cargo. Surplus, out of auctions, if any, after meeting all expenses and the actual ground rent, is credited to a separate account 'Auction Surplus' and is shown under the head 'Other Current Liabilities'. Unclaimed Auction Surplus, if any, in excess of period specified under the Limitations Act is written back as 'Income' in the following financial year.

Variable consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of service provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

The Group provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract

The Group pays sales commission to its selling agents for each contract that they obtain for the Group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortization period of the asset that the Group otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

Critical judgements

The Group's contracts with customers include promises to transfer service to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

(f) Other revenue streams

Export Benefits

Export Entitlements in the form of Service Exports from India Scheme (SEIS) and other schemes are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

(g) Income Tax:

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

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the Group 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 tax

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

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

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

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.

Minimum alternate tax (MAT)

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

(h) Leases:

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

As a lessee

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 Group 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.

(i) 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.



(j) 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.

(k) 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.

(l) Investments and other financial assets

(i) Classification

The Group 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.

(ii) Measurement

At initial recognition, the Group 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.

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

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

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

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

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

Debt Instruments

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

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

(iii) Impairment of financial assets

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

For trade receivables only, the Group 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.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

(iv) De-recognition of financial assets

A financial asset is derecognised only when

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

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

(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.

(m) Financial Liabilities

(i) Classification

The Group 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.

(ii) Measurement

1. Financial liabilities at amortised cost- Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2. Financial liabilities at fair value through profit and loss- Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.



(iii) Reclassification of financial liabilities

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

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

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

(n) 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 Group or the counterparty.

(o) 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 Group 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.

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

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. Group 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).



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

The Group 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.

(q) Trade and other Payables

These amounts represent liabilities for goods and services provided to the Group 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.

(r) 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.

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

Borrowings are classified as current liabilities unless the Group 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.

(s) 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.

(t) Provisions:

Provisions are recognised when the Group 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.

(u) 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 Group 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 Group pays provident fund contribution to publicly administered provident funds as per local regulation. The Group 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 Group recognises a liability and an expenses for bonus. The Group recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) 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.

(w) Compound Financial Instrument

Compound financial instrument issued by the Group 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).

(x) Earnings per Share:**(i) Basic earnings per share**

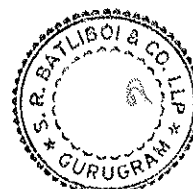
Basic earning per share is calculated by dividing:

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

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of 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.



GATEWAY RAIL FREIGHT LIMITED

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(y) Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

(z) Exceptional Items

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

(aa) Contingent Liabilities

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

(ab) 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.

(ac) New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Group.

Amendment to Ind AS 20 government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.

Amendment to Ind AS 38 Intangible asset acquired free of charge

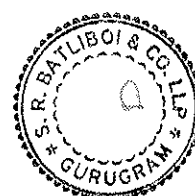
The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This interpretation does not have any impact on the Group's financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

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



Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

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

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

These amendments do not have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

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 Group'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 Group 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 Group'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 Group'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 Group 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 Group 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.

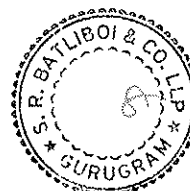
-- Impairment of trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group 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 28.

-- 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 27.

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 Group and that are believed to be reasonable under the circumstances.



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 (d) below]	Office Equipments	Computers	Furniture and Fittings	Leasehold Improvements	Motor Vehicles [Refer Note (c)]	Rolling Stock- Containers and Reefer Power Trucks	Rolling Stock- Rakes & Brake Van	Electrical Installations and Equipment	Total
Cost														
At 01 April 2017	30,48,566	20,63,313	7,30,965	350,52	4,25,556	280,71	41,716	1,02,599	5,68	86,704	1,174,13	18,48,200	1,528,40	87,19,18
Additions	544,41	3,824,60	642,64	439,18	739,47	66,19	26,78	104,14	-	141,89	-	-	331,61	6,97,12
Disposals	-	-	-	-	(194,05)	-	-	-	-	(7,62)	-	-	-	(20,07)
Exchange differences	-	-	-	-	11,67	-	-	-	-	-	-	-	-	-
At 31 March 2018	31,03,027	24,457,91	7,95,256	790,70	4,06,505	280,90	43,334	1,13,171	5,68	1,00,182	1,174,13	18,48,200	1,860,31	93,87,130
Cost														
At 01 April 2018	31,35,097	24,457,91	7,95,256	750,40	4,86,655	280,90	43,094	1,13,370	5,68	1,00,182	1,174,13	18,48,200	1,860,31	93,87,130
Additions	148,03	639,95	62,92	88,08	1,21,558	87,15	47,34	157,24	-	577,47	-	61,30	79,31	2,16,510
Disposals	-	-	-	-	(289,28)	-	-	-	-	-	-	-	-	(289,28)
Exchange differences	-	-	-	-	5,788,95	368,33	3,128	1,590,97	5,68	1,578,79	1,174,13	18,48,200	1,939,42	96,740,12
At 31 March 2019	31,50,097	25,097,86	8,01,521	838,48	5,788,95	368,33	3,128	1,590,97	5,68	1,578,79	1,174,13	18,48,200	1,939,42	96,740,12
Depreciation														
At 01 April 2017	-	1,57,448	820,05	34,40	1,02,766	112,95	24,88	249,06	5,68	291,70	68,96	4,18,566	325,66	9,49,916
Depreciation charge during the year	-	1,001,39	624,43	36,42	598,86	48,57	94,33	139,98	-	162,78	297,95	2,107,23	213,19	5,28,413
Disposals	-	-	-	-	(33,33)	-	-	-	-	(4,11)	-	-	-	(87,53)
Exchange Difference	-	-	-	-	3,354	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	2,577,87	1,44,16,18	70,82	1,624,31	151,52	33,21	389,04	5,68	450,37	908,52	6,292,91	542,85	14,77,18
Depreciation														
At 01 April 2018	-	2,577,87	1,44,16,18	70,82	1,594,01	138,52	33,21	389,04	5,68	450,37	908,52	6,292,91	542,85	14,77,18
Depreciation charge during the year	-	1,096,13	637,43	56,87	707,24	50,89	70,89	159,29	-	226,96	116,18	2,112,21	238,26	5,47,232
Disposals	-	-	-	-	(192,95)	-	-	-	-	-	-	-	-	(192,95)
Exchange Difference	-	-	-	-	2,169,59	209,41	404,10	515,33	5,68	677,80	1,024,70	8,402,12	78,111	20,110,54
At 31 March 2019	-	3,674,00	2,083,91	127,69	2,169,59	209,41	404,10	515,33	5,68	677,80	1,024,70	8,402,12	78,111	20,110,54
Net book Value														
At 31 March 2018	31,35,097	21,880,04	6,50,786	688,58	3,267,74	122,38	10,73	744,69	-	350,35	265,64	12,286,20	1,317,36	70,108,42
At 31 March 2019	31,50,097	21,432,58	6,231,30	713,79	3,019,36	158,54	27,63	742,64	-	392,49	159,44	12,030,68	1,035,91	70,609,18

Notes:
 a) Land situated at Amritsar, having net book value of Rs. 20,30 Lakhs is yet to be transferred in the name of the Group.
 b) Certain railway sidings are situated on land not owned by the Group.
 c) Other Equipments include reach stackers having net book value of Rs. 2,588.12 Lakhs (31-March-18: Rs. 2,200.41 Lakhs).
 d) Other Equipments include reach stackers having net book value of Rs. 6,00.03 Lakhs (31-March-18: Rs. 5,697.8 Lakhs) and having net book value of Rs. 412.04 Lakhs (31-March-18: Rs. 485.72 Lakhs).
 e) Motor Vehicles include trailers having net book value of Rs. 724.70 Lakhs (31-March-18: Rs. 368.99 Lakhs).
 f) Property, plant and equipment pledged as security.
 - Refer to note 35 for information on property, plant and equipment pledged as security by the Group.
 g) Contractual obligations
 - Refer to note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment



3(a) CAPITAL WORK-IN-PROGRESS

Particulars	Total
Cost or Valuation	
At 1 April 2017	665.68
Additions	5,992.48
Capitalisation	5,516.48
At 31 March 2018	1,141.68
At 1 April 2018	1,141.68
Additions	1,818.90
Capitalisation	2,800.99
At 31 March 2019	159.59
At 31 March 2018	1,141.68
At 31 March 2019	159.59

Capital work-in-progress as at 31 March 2019 mainly comprises rakes upgradation of Rs. 148.53 lakhs.

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
Cost				
At 1 April 2017	3,041.67	200.00	13.46	3,255.13
Additions during the year	-	100.00	-	100.00
At 31 March 2018	3,041.67	300.00	13.46	3,355.13
Cost				
At 1 April 2018	3,041.67	300.00	13.46	3,355.13
Additions during the year	-	-	-	-
At 31 March 2019	3,041.67	300.00	13.46	3,355.13
Amortisation and impairment				
At 1 April 2017	500.00	14.73	13.46	528.19
Amortisation charge for the year	250.00	10.00	-	260.00
At 31 March 18	750.00	24.73	13.46	788.19
Amortisation and impairment				
At 1 April 2018	750.00	24.73	13.46	788.19
Amortisation charge for the year	250.00	9.99	(0.00)	259.99
At 31 March 2019	1,000.00	34.72	13.46	1,048.18
Net book Value				
At 31 March 2018	2,291.67	275.27	-	2,566.94
At 31 March 2019	2,041.67	265.28	-	2,306.95

Notes:

a) Rail License Fees aggregating Rs. 5,000 Lakhs (31-March-18: Rs. 5,000 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, 2019 is 8 years and 2 months (31-March-18: 9 years 2 months).

b) Private Freight Terminal (PFT) Licence fees aggregating Rs. 300 Lakhs (31-March-18: Rs. 300 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.



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

5 INVESTMENT IN JOINT VENTURE

	As at 31 March 2019 Rupees in Lakhs	As at 31 March 2018 Rupees in Lakhs
Equity Investment in Joint Venture		
<i>Unquoted Equity Instruments (At cost)</i>		
50,997 Equity Shares (31-March-2018: 50,997) of Rs. 10 each held in Container Gateway Limited.	5.10	5.10
Less: Impairment in the value of investment	5.10	5.10
	-	-
Aggregate amount of unquoted investment	5.10	5.10
Aggregate amount of impairment in value of investment	5.10	5.10

6 FINANCIAL ASSETS

6(a) INVESTMENTS

Investment in Mutual Fund at Fair value through Profit and Loss Account (Unquoted)		
33,451,596 units (31-March-18: 32,196,739 units) UTI Money Market Fund - Institutional Plan - Direct Plan - Growth, NAV Rs. 2,112.5538 (31-March-18: Rs. 1,949.0158)	706.68	627.52
Nil units (31-March-18: 130,608,402 units) Baroda Pioneer Treasury Advantage Fund - Plan B Growth, NAV Rs. NA (31-March-18: Rs. 2,067.7184)	-	2,700.61
Nil units (31-March-18: 65,567,321 units) Baroda Pioneer Liquid Fund - Plan B Growth, NAV Rs. NA (31-March-18: Rs. 1,998.0365)	-	1,310.06
Nil units (31-March-18: 35,818,144 units) Kotak Low Duration fund - Direct Plan - Growth, NAV Rs. NA (31-March-18: Rs. 2,189.4665)	-	784.23
Nil units (31-March-18: 42,412,564 units) Kotak Floater Short Term Fund Direct Growth, NAV Rs. NA (31-March-18: Rs. 2,850.3594)	-	1,208.91
Nil units (31-March-18: 7,250,700 units) Aditya Birla Sun Life Savings Fund - Growth -Direct Plan, NAV Rs. NA (31-March-18: Rs. 343.7196)	-	24.92
Nil units (31-March-18: 505,338,049 units) Aditya Birla Sun Life Liquid Fund - Growth -Direct Plan, NAV Rs. NA (31-March-18: Rs. 279.2473)	-	1,411.14
401,409,751 units (31-March-18: Nil units) Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan, NAV Rs. 251.7000 (31-March-18: Rs. NA)	1,010.35	-
Nil units (31-March-18: 34,812,700 units) Reliance Short Term Fund - Direct Plan - Growth Option , NAV Rs. NA (31-March-18: Rs. 2,617.2085)	-	911.12
Nil units (31-March-18: 35,735,631 units) Mahindra Liquid Fund - Growth -Direct Plan, NAV Rs. NA (31-March-18: Rs. 1,124.3655)	-	401.80
Nil units (31-March-18: 16,874,703 units) L&T Liquid Fund - Growth -Direct Plan, NAV Rs. NA (31-March-18: Rs. 2,381.4758)	-	401.87
194,113,922 units (31-March-18: Nil units) ICICI Prudential Money Market Fund - Direct Plan Growth, NAV Rs. 260.1610 (31-March-18: Rs. NA)	505.01	-
	2,222.04	9,782.18
Aggregate amount of quoted investment and market value thereof	2,222.04	9,782.18
Aggregate amount of impairment in value of investment	-	-



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

6(b) TRADE RECEIVABLES

	As at 31 March 2019 Rupees in Lakhs	As at 31 March 2018 Rupees in Lakhs
Trade receivables	8,549.26	8,247.57
Receivables from related parties	-	-
Less: Impairment for trade receivable*	951.26	860.27
Total Receivables	7,598.00	7,387.30
Current Portion	7,598.00	7,387.30
Non-current portion	-	-
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	7,598.00	7,387.30
Trade Receivables which have significant increase in Credit Risk	951.26	860.27
Less: Impairment for trade receivable*	951.26	860.27
Total Trade Receivables	7,598.00	7,387.30

Trade or other receivable is Rs. Nil from directors or other officers of the Group. Trade or other receivable is Rs. Nil from firms or Private Companies in which any director is a partner, a director or a member (31-March-18: Rs. Nil).

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

* The provision for the impairment of trade receivable has been made basis the expected credit loss method and other cases based on management judgement.

6(c) CASH AND CASH EQUIVALENTS

Balances with Banks:-		
- On Current accounts	533.27	773.39
- Deposits with original maturity periods less than 3 months	-	2,700.00
Cheques on hand	27.69	-
Cash on hand	12.46	26.10
Total Cash And Cash Equivalents	573.42	3,499.49

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balances with Banks:-		
- On Current accounts	533.27	773.39
- Deposits with original maturity periods less than 3 months	-	2,700.00
Cheques on hand	27.69	-
Cash on hand	12.46	26.10
Total Cash And Cash Equivalents	573.42	3,499.49
Less:- Bank overdraft (note 14)	540.23	496.06
	33.19	3,003.43

6(d) OTHER BANK BALANCES OTHER THAN (G) ABOVE

Earmarked balances with banks:		
- In unclaimed Dividend Accounts	2.86	-
	2.86	-



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

6(e) OTHER FINANCIAL ASSETS

	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Security deposits				
Considered good	46.04	304.11	1.74	335.14
Considered doubtful	-	2.00	-	2.00
	46.04	306.11	1.74	337.14
Less: Provision for doubtful deposits	-	2.00	-	2.00
	46.04	304.11	1.74	335.14
Bank deposits with original maturity period more than 12 months	59.31	356.62	316.37	41.06
Advances to Related Party				
Considered good	2.20	-	1.60	-
Considered doubtful	2.17	-	2.17	-
	4.37	-	3.77	-
Less: Provision for doubtful advances	2.17	-	2.17	-
	2.20	-	1.60	-
Accrued Ground Rent				
-- Considered good	27.47	-	21.82	-
-- Considered doubtful	77.95	-	55.17	-
	104.52	-	76.99	-
Less: Provision for doubtful ground rent	77.95	-	55.17	-
	27.47	-	21.82	-
Unbilled Revenue				
-- Considered good	2.22	-	24.91	-
-- Considered doubtful	-	-	95.47	-
	2.22	-	120.38	-
Less: Provision for unbilled revenue	-	-	95.47	-
	2.22	-	24.91	-
Interest Accrued but not due on Fixed Deposits with Banks	15.86	-	71.54	-
Advances recoverable in cash	148.94	-	148.94	-
Insurance claim receivable	106.19	-	140.60	-
	408.24	660.73	727.52	476.20

6(f) LOANS

Loan to Customers				
-- Considered good	-	-	-	-
-- Considered doubtful	50.00	-	50.00	-
	50.00	-	50.00	-
Less: Allowances for doubtful loans	50.00	-	50.00	-
	-	-	-	-



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

7 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

	As at 31 March 2019 Rupees in Lakhs	As at 31 March 2018 Rupees in Lakhs
Deferred Tax Assets:		
Provision for Doubtful Debts and Advances	163.46	116.86
Other Items		
-- Provision for Gratuity & Leave Encashment	33.81	24.34
-- Provision for Bonus	4.01	4.04
Minimum Alternate Tax Credit Entitlement	529.55	609.09
Total	<u>730.83</u>	<u>754.33</u>
Deferred Tax Liability		
Financial Assets at Fair Valuation through profit and loss account	7.71	214.72
Depreciation on Property, plant and equipment and intangible assets	1,598.74	1,381.07
Total	<u>1,516.45</u>	<u>1,595.79</u>
Net Deferred Tax Asset/ (Liabilities)	<u>(785.62)</u>	<u>(841.46)</u>

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 31 March 2018	(1,302.84)	(78.23)	116.86	609.09	(186.34)	(841.46)
Less: Charged/ (Credited)						
-to profit and loss	(137.23)	9.56	46.60	(79.54)	190.90	39.29
-to other comprehensive income	-	-	-	-	25.55	25.55
At 31 March 2019	<u>(1,440.07)</u>	<u>(68.67)</u>	<u>163.46</u>	<u>529.55</u>	<u>30.10</u>	<u>(785.62)</u>

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	537.46	806.71
Considered Doubtful	<u>52.31</u>	<u>52.31</u>
Less: Provision for Doubtful Advances	589.77	859.02
	<u>52.31</u>	<u>52.31</u>
Prepaid Expenses	537.46	806.71
	21.15	25.19
	<u>558.61</u>	<u>831.90</u>

9 INCOME TAX ASSETS (NET)

Advance Income Tax (Net of Provision)	947.79	729.99
	<u>947.79</u>	<u>729.99</u>

10 OTHER CURRENT ASSETS

Advances Recoverable in Kind or for Value to be Received		
Considered Good	597.43	516.12
Considered Doubtful	-	-
	<u>597.43</u>	<u>516.12</u>
Less: Provision for Doubtful Advances	-	-
	<u>597.43</u>	<u>516.12</u>
Balances with Government Authorities	14.69	85.59
Prepaid Expenses	219.13	204.12
	<u>741.25</u>	<u>805.74</u>



11 **EQUITY SHARE CAPITAL**

11(a) Equity	Number of Shares in Lakhs	Rupees in Lakhs
Authorised Equity Share Capital:		
Equity Shares having par value of Rs. 10 each		
As at 1 April 2017	4,027.00	40,270.00
Increase during the year	-	-
As at 31 March 2018	4,027.00	40,270.00
Increase during the year	-	-
As at 31 March 2019	4,027.00	40,270.00
Equity Shares having par value of Rs. 25 each		
As at 1 April 2017	0.001	0.025
Increase during the year	-	-
As at 31 March 2018	0.001	0.025
Increase during the year	-	-
As at 31 March 2019	0.001	0.025

Issued, Subscribed and Paid-up Share Capital:

(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 1 April 2017	2,015.00	20,150.00
Increase during the year	-	-
As at 31 March 2018	2,015.00	20,150.00
Increase during the year	-	-
As at 31 March 2019	2,015.00	20,150.00
Equity Shares having par value of Rs. 25 each		
As at 1 April 2017	0.001	0.025
Increase during the year	-	-
As at 31 March 2018	0.001	0.025
Increase during the year	-	-
As at 31 March 2019	0.001	0.025
Total as at 31 March 2019	2,015.001	20,150.025

Terms and rights attached to Equity Shares

There are two class of Equity Shares issued by the Group 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 Group 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:

	Number of Shares in Lakhs	Rupees in Lakhs
Compulsory Convertible Preference Shares having par value of Rs. 24.65 each		
As at 01 April 2017	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2018	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2019	1,200.00	29,580.00



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

	No. of Shares in Lakhs	Rupees in Lakhs
(I) Movement in Compulsory Convertible Preference Shares Capital of Rs.24.65 each		
Blackstone GPV Capital Partners (Mauritius) V-H Limited		
As at 01 April 2017	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2018	1,200.00	29,580.00
Decrease during the year	-	-
As at 31 March 2019	-	-
Gateway Distriparks Limited		
As at 01 April 2017	-	-
Increase during the year	-	-
As at 31 March 2018	-	-
Increase during the year	1,200.00	29,580.00
As at 31 March 2019	1,200.00	29,580.00

During the year 120,000,000 CCP and 100 equity shares held by Blackstone GPV Capital Partners (Mauritius) V-H Limited (Blackstone) were acquired by GDL. Consequently, GDL became the holding company with effect from March 29, 2019

(II) Shares of the Group held by Holding company (Joint venturer till 29 March 2019)

Equity Shares having par value of Rs. 10 each

Gateway Distriparks Limited

As at 31 March 2018

Increase during the year

As at 31 March 2019

2,011.00	20,110.00
0.998	9.98
<u>2,011.998</u>	<u>20,119.98</u>

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

Equity Shares having par value of Rs. 10 each

Gateway Distriparks Limited

No of Shares (Lakhs)

As at
31 March 2019

As at
31 March 2018

% Share holding

Compulsory Convertible Preference Shares of Rs. 24.65 each

Blackstone GPV Capital Partners (Mauritius) V-H Limited

No of Shares (Lakhs)

% Share holding

Gateway Distriparks Limited

No of Shares (Lakhs)

% Share holding

2,012.00	2,011.00
99.85%	99.80%
-	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 2019	31 March 2018
Securities premium reserve	132.05	132.05
Retained Earnings	5,369.07	18,014.12
Capital Redemption Reserve	11,500.00	11,500.00
Total	17,001.12	29,646.17

(i) Securities premium reserve

Particulars	31 March 2019	31 March 2018
Opening balance	132.05	132.05
Increase/ (Decrease) during the year	-	-
Closing balance	132.05	132.05

(ii) Retained Earnings

Particulars	31 March 2019	31 March 2018
Opening balance	18,014.12	21,209.23
Less : Impact on adoption of Ind AS 115	24.16	-
Net Profit for the period	11,084.75	8,791.89
Amount transfer to Capital Redemption Reserve	-	(11,500.00)
Less : Cash Dividends	19,663.71	-
Less : Dividend distribution tax	4,041.93	-
Closing balance	5,369.07	18,014.12

Cash dividends declared and paid :

Particulars	31 March 2019	31 March 2018
Interim dividend for the year ended on 31 March 2019: Rs. 1.20 per share (31 March 2018: Rs. Nil per share) on Equity Share and Rs. 10.42 per share (31 March 2018: Rs. Nil per share) on CCPS	14,922.00	-
Dividend distribution tax (DDT) on above	3,067.26	-

Interim dividend for the year ended on 31 March 2019: Rs. 1.20 per share (31 March 2018: Rs. Nil per share) on Equity Share and Rs. 10.42 per share (31 March 2018: Rs. Nil per share) on CCPS	4,741.79	-
Dividend distribution tax (DDT) on above	974.67	-

(iii) Capital Redemption Reserve

Particulars	31 March 2019	31 March 2018
Opening balance	11,500.00	-
Addition during the year (Refer note 39)	-	11,500.00
Closing balance	11,500.00	11,500.00

Nature and purpose of other reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares.

Capital Redemption Reserve (CRR)

CRR is created out of profits on redemption of Zero Coupon Redeemable Preference Shares



GATEWAY RAIL FREIGHT LIMITED

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FINANCIAL LIABILITIES

12 NON-CURRENT BORROWINGS

	As at 31 March 2019 Rupees in Lakhs	As at 31 March 2018 Rupees in Lakhs
Secured:		
Term Loans		
<i>From Banks:</i>		
Rupee Loan [Refer Note (a) below]	14,970.19	17,576.33
Vehicle Loans		
HDFC Vehicle Loan [Refer Note (b) below]	289.72	376.26
Total Non-Current Borrowings	15,259.91	17,952.59
Less: Current maturities of long term debt from bank	3,350.50	2,723.96
Less: Current maturities of HDFC vehicle loan	94.30	86.54
Non-Current Borrowings	11,815.11	15,142.09

Nature of security and terms of repayment for secured borrowings

Nature of Security	Terms of Repayment
a) Term Loan from HDFC Bank amounting to Rs. 14,863.25 Lakhs (31-March-18 Rs. 17,461.92 Lakhs) is secured by first exclusive charge on all the assets (fixed and current, present and future) of the Group and Corporate Guarantee by Gateway Distriparks Limited, the Holding Company, for Term Loan1 and 2.	1) The Term Loan 1 from HDFC Bank is repayable in 24 quarterly instalments within 8 years with 2 years moratorium from the date of each drawdown. Term Loan of Rs. 3,500.00 Lakhs taken on April 15, 2015 is repayable in instalments 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 8.35% - 8.95% p.a. 2) The Term Loan 2 from HDFC Bank is repayable in 24 Quarterly instalments 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 instalments of Rs. 41.67 Lakhs started 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 8.35% - 8.95% p.a. b) Term Loan of Rs. 1,000.00 Lakhs taken on January 19, 2015 is repayable in instalments of Rs. 62.50 Lakhs started 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 8.35% - 8.95% p.a. c) Term Loan of Rs. 1,500.00 Lakhs taken on January 11, 2016 is repayable in instalments of Rs. 41.67 Lakhs started 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 8.35% - 8.95% p.a. d) Term Loan of Rs. 1,000.00 Lakhs taken on February 10, 2016 is repayable in instalments of Rs. 41.67 Lakhs started 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 8.35% - 8.95% p.a. e) Term Loan of Rs. 1,000.00 Lakhs taken on March 15, 2016 is repayable in instalments of Rs. 41.67 Lakhs started 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 8.35% - 8.95% p.a. f) Term Loan of Rs. 770.00 Lakhs taken on May 07, 2016 is repayable in instalments of Rs. 32.08 Lakhs started 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 8.35% - 8.95% p.a. 3) The Term Loan 4 from HDFC Bank is repayable in 24 quarterly instalments 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 instalments 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 8.35% - 8.95% p.a. b) Term Loan of Rs. 7,000.00 Lakhs taken on July 28, 2016 is repayable in instalments 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 8.35% - 8.95% p.a. c) Term Loan of Rs. 644.00 Lakhs taken on August 11, 2016 is repayable in instalments 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 8.35% - 8.95% p.a. 4) The Term Loan 5 from HDFC Bank is repayable in 24 Quarterly instalments within 8 years with 2 years moratorium from the first drawdown. Term Loan of Rs. 10 Crore taken on August 11, 2016 is repayable in instalments of Rs. 41.67 Lakhs started 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 8.35% - 8.95% p.a.
b) Vehicle Finance Loan from HDFC Bank of Rs. 289.72 Lakhs (31-March-18 Rs. 376.26) is secured by way of hypothecation of trailers purchased against the same.	The Vehicle Loan from HDFC Bank is repayable in 46 Monthly instalments. a) Vehicle Loan of Rs. 376.26 Lakhs taken on February 23, 2018 is repayable in instalments of Rs. 963,540 starting from April 2018.
c) Buyers' Credit from HDFC Bank amounting to Rs. 492.98 Lakhs (March 31, 2018 Rs. 505.59 Lakhs) is secured by first exclusive charge on all the assets (fixed and current, present and future) of the Group.	Buyers' Credit of Rs. 492.98 Lakhs is repayable in July 2019. The interest rate is LIBOR + 0.30%.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 36.



GATEWAY RAIL FREIGHT LIMITED

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13 EMPLOYEE BENEFIT OBLIGATIONS

	As at 31 March 2019 Rupees in Lakhs			As at 31 March 2018 Rupees in Lakhs		
	Current	Non-current	Total	Current	Non-current	Total
- Leave Obligations	58.50	254.75	313.25	65.45	175.39	240.84
- Gratuity	12.10	418.82	430.92	19.32	278.05	297.37
	70.60	673.57	744.17	84.77	453.44	538.21

(i) Leave Obligation

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

The amount of the provision of Rs. 58.50 Lakhs (31 March 18 Rs. 65.45 Lakhs) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

**(ii) Post Employment obligations
Gratuity**

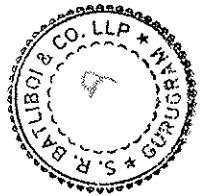
The Group provides for gratuity for employees in India as per payment of gratuity Act, 1972. Employee who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed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

(iii) Defined Contribution Plans

The Group 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 Group 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. 124.33 Lakhs (31 March 18 Rs. 116.98 Lakhs)

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 2017	237.04
Current service cost	22.20
Interest Cost	16.88
Total amount recognised in profit or loss	49.17
Re-measurements	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	(6.94)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(100.71)
Actuarial (Gains) / Losses on Obligations - Due to Experience	127.82
The amount recognised in other comprehensive income	20.17
Benefit payments	(9.01)
31 March 2018	297.37



GATEWAY RAIL FREIGHT LIMITED
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Particulars	Present value of obligation
01 April 2018	297.37
Current service cost	40.17
Interest Cost	22.48
Total amount recognised in profit or loss	62.65
<i>Remeasurements</i>	
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	4.86
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	61.98
Actuarial (Gains) / Losses on Obligations - Due to Experience	6.29
The amount recognised in other comprehensive income	73.13
Benefit payments	(2.28)
31 March 2019	430.92

The net liability disclosed relates to unfunded plans as follows:

Particulars	31 March 2019	31 March 2018
Present value of unfunded plans	430.92	297.37
Deficit of gratuity plan	430.92	297.37

(iv) Post employment benefits (Cratuity)

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

Particulars	31 March 2019	31 March 2018
Discount Rate	7.76%	7.56%
Salary growth rate	9.75%	8.00%
Attrition Rate	6 - 10%	6 - 13%

(v) Sensitivity Analysis

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

Particulars	Change in assumption		Change		Impact on defined benefit obligation			
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Discount Rate	1%	1%	Decrease by	Decrease by	Increase by	Increase by	Increase by	Increase by
Salary growth rate	1%	1%	Increase by	Increase by	Decrease by	Decrease by	Decrease by	Decrease by
Employee turnover	1%	1%	Decrease by	Decrease by	Increase by	Increase by	Increase by	Increase by

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 2019 as follows:

	Amount
1st Following Year	12.10
2nd Following Year	14.49
3rd Following Year	15.60
4th Following Year	54.23
5th Following Year	36.52
Sum of 6 to 10 Years	164.48



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

14 CURRENT BORROWINGS

	As at 31 March 2019 Rupees in Lakhs	As at 31 March 2018 Rupees in Lakhs
Secured		
Overdraft from bank*	540.23	496.06
Buyers' Credit from Bank with original maturity with less 1 year (Refer Note 12c)	492.98	505.59
	<u>1,033.21</u>	<u>1,001.65</u>

*Loan repayable on demand. Outstanding overdraft carry an average interest rate of 'MCLR + 25 bps' (31 March 2018: 'MCLR + 25 bps') and is secured by first exclusive charge on all assets.

15 TRADE PAYABLES

-- Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below)	131.06	185.88
-- Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	4,283.50	3,908.42
	<u>4,414.56</u>	<u>4,094.30</u>

Note

There are no Micro and Small Enterprises, to whom the Group 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 Group regarding the status of suppliers under the MSMED (Refer Note 38).

Trade payables are non-interest bearing and are normally settled in the range of 1 to 180 days terms.
For explanation in the Group's credit risk management process, refer note 28.

16 OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of long term debt from Banks (Refer Note 12)	3,350.50	2,723.96
Current maturities of HDFC Vehicle Loan (Refer Note 12)	94.30	86.54
Retention Money/ Deposits from Creditors for Tangible Assets	54.77	194.14
Other Payables:		
-- Creditors for Tangible and Intangible Assets	201.42	486.03
-- Employees	239.90	214.63
-- Directors' remuneration	1,036.06	417.78
Unclaimed Dividend	2.86	-
Auction Surplus	55.89	-
	<u>5,035.70</u>	<u>4,123.08</u>

17 OTHER CURRENT LIABILITIES

Advances from Customers	1,029.64	662.57
Other Payables:		
-- Statutory dues	787.36	686.78
	<u>1,817.00</u>	<u>1,349.35</u>

18 GOVERNMENT GRANT (EPCG)

Government Grant (EPCG)		
Opening Balance	485.73	569.78
Addition	86.05	-
Less:- Income Booked	129.74	84.04
Closing Balance	<u>442.04</u>	<u>485.72</u>
Current Grant (Income to be booked in 12 months)	83.07	84.04
Non-Current Grant	358.97	401.68



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

19 REVENUE FROM OPERATIONS

	Notes	Year ended 31 March 2019 Rupees in Lakhs	Year ended 31 March 2018 Rupees in Lakhs
Sale of Services			
-- Rail Transport		65,579.48	62,932.59
-- Road Transport		5,388.33	5,216.46
-- Container Storage, Handling and Ground Rent		8,502.55	7,320.45
Auction Income		138.34	123.94
Other Operating Revenues			
Export Incentive (SEIS)		6,933.00	3,135.78
Rent		199.76	150.74
Total revenue from continuing operations		86,741.46	78,879.96

20 OTHER INCOME

Interest Income			
- Interest on Fixed Deposit with Banks - Gross	6(c), 6(d), 6(e)	74.21	57.12
Unwinding of Discount on Security Deposit	6(e)	4.82	4.44
Liabilities/ Provisions no longer required		102.86	121.13
Written back		21.53	10.69
Sale of Scrap		47.32	51.81
Miscellaneous Income		-	32.11
Provision for Doubtful Ground Rent written back (Net)	6(b)	-	-
Gain on fair valuation of financial assets recognised at fair value through profit or loss	6(a)	22.04	277.79
Gain on Sale of Investment in Mutual Funds	6(a)	572.52	752.44
Dividend Income on Investment in Mutual Funds measured at Fair Value through Profit and Loss	6(a)	27.67	-
Foreign Exchange Gain		20.94	-
Government Grant	18	129.74	84.04
Total other income		1,023.65	1,391.57

21 OPERATING EXPENSES

Rail Transport (Refer Note (i) below)		48,999.00	47,643.01
Road Transport (Refer Note (ii) below)		6,054.97	5,494.12
Container Storage, Handling and Repairs (Refer Note (iii) below)		1,647.89	1,661.39
Auction Expenses		48.08	24.88
Total Operating Expenses		56,749.94	54,823.40

(i) Details of Rail Transport

Rail Haulage Charges		45,737.88	44,948.91
Rake Hiring Charges		871.90	741.96
Incentives		1,032.02	662.85
Others		1,357.20	1,289.29
Total Rail Transport		48,999.00	47,643.01

(ii) Details of Road Transport

Trip Expenses		2,842.04	2,502.01
Trailer Hiring Charges		1,359.98	1,207.10
Trailer Maintenance Charges		1,169.04	1,113.62
Trailer Drivers Salary		555.99	566.09
Others		127.92	105.30
Total Road Transport		6,054.97	5,494.12

(iii) Details of Container Storage, Handling and Repairs

Equipment Handling Charges		543.50	586.73
Labour Charges		449.34	422.08
Surveyor Expenses		366.89	329.16
Internal Shifting Charges		199.40	233.87
Others		88.76	89.55
Total Container Storage, Handling and Repairs		1,647.89	1,661.39

22 EMPLOYEE BENEFITS EXPENSES

Salaries, Allowances and Bonus		3,620.14	2,566.26
Contribution to Provident and Other Funds		124.33	116.38
Gratuity	13	62.65	49.17
Staff Welfare		87.98	86.30
Total Employee Benefits Expenses		3,895.10	2,818.11

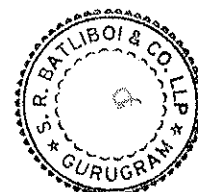
23 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation on Property, Plant and Equipment	3	5,472.32	5,329.57
Amortisation of Intangible Assets	4	259.99	260.00
Total Depreciation And Amortisation Expenses		5,732.31	5,589.57



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

	Notes	Year ended 31 March 2019 Rupees in Lakhs	Year ended 31 March 2018 Rupees in Lakhs
24	FINANCE COSTS		
-- Interest on Term Loans	12	1,401.82	1,727.46
-- Interest on Buyers' Credit	14	12.18	29.87
-- Interest on Cash Credit	14	30.24	33.24
-- Interest on Vehicle Loans	12	16.07	-
-- Premium Payable on redemption of Compound Financial Instrument (including unwinding of discount)		-	244.94
Total Finance Costs		1,460.31	2,035.51
25	OTHER EXPENSES		
Power and Fuel		1,099.13	947.90
Rent		648.45	650.75
Rail License Fees		398.48	380.74
Rates and Taxes		48.66	24.18
Repairs and Maintenance			
-- Plant and Equipment (including Yard Equipments)		568.43	477.87
-- Buildings/ Yard		131.23	124.70
-- Others		296.33	284.12
Insurance		328.24	239.08
Customs Staff Expenses		122.72	115.23
Printing and Stationery		64.53	58.81
Travelling and Conveyance		363.70	349.97
Vehicle Maintenance Expenses		12.09	12.84
Communication		88.45	89.55
Advertisement and Business Promotion		132.60	140.06
Corporate Social Responsibility [Refer Note 25(a)]		170.62	182.05
Legal and Professional Charges		710.22	439.63
Director Sitting Fees		84.00	40.35
Security Charges		550.02	529.31
Auditors' Remuneration [Refer note 25(b)]			
-- Audit Fees		32.00	30.00
-- Out of Pocket Expenses		2.00	1.01
Provision for Doubtful Debts (net)	6(b)	90.99	6.86
Provision for Doubtful Ground Rent (net)	6(c)	21.88	-
Provision for Doubtful Advances/ Deposits	6(c), 8	-	12.09
Loss on Sale of PPE		24.41	0.20
Foreign Exchange Loss (net)		-	71.37
Bank Charges		20.29	40.83
Total Other Expenses		6,009.47	5,249.50
25(a)	Corporate Social Responsibility expenditure		
Contribution to Bharat Lok Shiksha Parishad		10.00	10.00
Promotion of Education		4.56	7.50
Contribution to Prime Minister Relief Fund		5.00	10.00
Rural Development Projects		151.06	154.55
Total Corporate Social Responsibility expenditure		170.62	182.05
Amount required to be spent as per section 135 of the Act		165.11	181.57
Amount spent during the year on			
Construction/ acquisition of any asset		151.06	154.55
On purposes other than above		19.56	27.50
		170.62	182.05
25(b)	Details of payment to auditors		
Payment to auditors			
Audit Fee		21.00	19.00
Limited Review		11.00	11.00
In other capacities			
Reimbursement of expenses		2.00	1.01
Total payment to auditors		34.00	31.01



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

	Year ended 31 March 2019 Rupees in Lakhs	Year ended 31 March 2018 Rupees in Lakhs
26 INCOME TAX EXPENSE		
(a) Income tax Expenses		
Current Tax		
Current Tax on profits for the year	2,815.94	1,893.67
Adjustment for current tax of prior periods	-	-
Total Current tax expenses	2,815.94	1,893.67
Deferred Tax		
Decrease/ (Increase) in deferred tax assets	23.50	(571.46)
(Decrease)/ Increase in deferred tax liabilities	(79.34)	108.17
Total deferred tax expense/(benefit)	(55.84)	(463.29)
Income tax expenses	2,760.10	1,430.38
Income tax expense is attributable to:		
Profit from continuing operations	2,760.10	1,430.38
Profit from discontinued operations	-	-
Total	2,760.10	1,430.38
Disclosed under		
Statement of Profit and Loss	2,785.65	1,437.36
Other Comprehensive Income	(25.55)	(6.98)
	2,760.10	1,430.38
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit from continuing operations before income tax expense	13,844.85	9,735.27
Profit from discontinued operations before income tax expense	-	-
Total	13,844.85	9,735.27
Tax at the Indian tax rate of 34.944% (31-March-18: 34.608%)	4,837.94	3,369.18
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
	Tax Amount	Tax Amount
-- Interest on Zero coupon redeemable preference shares	-	84.77
-- Corporate social responsibility expenditure	59.62	63.00
-- Dividend income from mutual fund	(9.67)	-
-- Deferred Tax not created where it is expected to reverse within tax holiday period	477.59	595.01
-- Minimum Alternate Tax written off	171.12	-
-- Amortisation of prepaid rent as per Ind AS	1.55	1.54
-- Interest on security deposit as per Ind AS	(1.68)	(1.54)
-- Income that is exempt from tax u/s 80IA of Income Tax Act, 1961	(2,752.24)	(2,678.80)
-- Tax Benefit U/s 80 G	(3.49)	(9.52)
-- Other Items	(20.64)	6.74
Income Tax Expenses	2,760.10	1,430.38



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

27 FAIR VALUE MEASUREMENTS

27 (a) Financial instrument by category.

	As at 31 March 2019 Rupees in Lakhs		As at 31 March 2018 Rupees in Lakhs	
	FVPL	FVOCI	FVPL	FVOCI
Financial Assets				
Investment				
- Mutual Funds	2,222.04	-	9,782.18	-
Trade Receivable	-	7,598.00	-	7,387.30
Cash and Cash equivalent	-	573.42	-	3,499.49
Other Bank Balances	-	2.86	-	-
Security Deposit	-	350.15	-	336.88
Bank Deposits	-	435.93	-	357.43
Advance recoverable in cash	-	148.94	-	146.94
Other Financial Assets	-	153.94	-	260.47
Total Financial Assets	2,222.04	9,243.24	9,782.18	11,990.51
Financial Liabilities				
Borrowings	-	16,293.12	-	18,951.34
Trade Payables	-	4,414.56	-	4,094.30
Retention Money	-	54.77	-	194.14
Other Payables	-	-	-	-
-- Creditors for Tangible and Intangible Assets	-	201.42	-	486.03
-- Employees	-	239.90	-	214.03
-- Directors' commission	-	1,036.08	-	417.78
-- Unclaimed Dividend	-	2.86	-	-
-- Auction Surplus	-	55.89	-	-
Total Financial Liabilities	-	22,298.60	-	24,361.12

(i) 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 at 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 the fair value, the Group 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-2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVPL					
Mutual Fund - Growth Plan	6(a)	2,222.04	-	-	2,222.04
Total Financial Assets		2,222.04	-	-	2,222.04



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31-March-2019	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposit	6(c)	-	-	346.16	346.16
Total Financial Assets				346.16	346.16
Financial Liabilities					
Borrowings - Non Current (including current maturities)	12	-	-	15,305.29	15,305.29
Borrowings - Current	14	-	-	994.08	994.08
Total Financial Liabilities				16,299.37	16,299.37
Financial assets and liabilities measured at fair value- recurring fair value measurement at 31-March-2018					
Financial Assets					
Financial instrument at FVPL					
Mutual Fund - Growth Plan	6(d)	9,782.18	-	-	9,782.18
Total Financial Assets		9,782.18			9,782.18
Financial assets and liabilities measured at amortised cost for which fair values are disclosed 31-March-2018					
Financial Assets					
Security Deposit	6(c)	-	-	339.56	339.56
Total Financial Assets				339.56	339.56
Financial Liabilities					
Borrowings - Non Current (including current maturities)	12	-	-	17,959.71	17,959.71
Borrowings - Current	14	-	-	1,020.53	1,020.53
Total Financial Liabilities				18,980.24	18,980.24

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

Level 1 - 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.

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

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



GATEWAY RAIL FREIGHT LIMITED
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(i) 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.

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

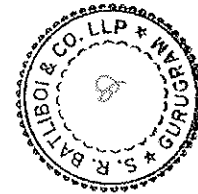
Particulars	As at 31 March 2019 Rupees in Lakhs		As at 31 March 2018 Rupees in Lakhs	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Security Deposit	350.15	346.16	336.88	339.59
Total Financial Assets	350.15	346.16	336.88	339.59
Financial Liabilities				
Borrowings - Non Current (including current maturities)	15,305.29	15,305.29	17,953.71	17,953.71
Borrowings - Current	994.08	994.08	1,000.53	1,000.53
Total Financial Liabilities	16,299.37	16,299.37	18,954.24	18,954.24

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.

Significant Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group 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 (i) and (ii) above.



28 FINANCIAL RISK MANAGEMENT

The Group 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	Monitoring and shifting benchmark-interest rates.
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 Group 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 Group 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 Group operates and other macro-economic factors. The Group 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 Group 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 Group maintains exposure in cash and cash equivalents, term deposits with banks and investments in mutual funds. The Group has diversified portfolio of investment with various number of counterparties 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 Group.

The Group's maximum exposure to credit risk as at 31 March 2019 and 31 March 2018 is the carrying value of each class of financial assets as disclosed in note 6.

Trade receivable and other financial assets

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

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

Of the Trade Receivables balance as at 31 March 2019 of Rs. 8,549.26 Lakhs (31-March-18: Rs. 8,247.57), the top 5 customers of the Group represent the balance of Rs. 4,363.54 Lakhs (31-March-18: Rs. 3,873.03 Lakhs).

The amount of Trade receivable outstanding as at 31 March 2019 & 31 March 2018 is as follows:

Particulars	0-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	More than 365 Days	Total
31 March 2019	4,448.46	2,284.67	617.00	430.05	103.77	645.31	8,549.26
31 March 2018	4,901.25	1,895.23	437.12	380.65	46.04	587.28	8,247.57



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

(ii) Reconciliation of loss allowances provision - Trade receivable and other financial assets

Particulars	Trade receivable	Other Financial Assets
Loss Allowances on 01 April 2017	853.41	174.83
Changes in loss allowances	6.86	(30.02)
Loss Allowances on 31 March 2018	860.27	154.81
Changes in loss allowances	90.99	21.88
Loss Allowances on 31 March 2019	951.26	176.69

(B) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group 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 Group has utilized credit limits with banks.

(i) Financing arrangements

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

Particulars	31 March 2019	31 March 2018
Flotting Rate		
Expiring within one year (Bank overdraft, Term Loans and other facilities)	7,839.91	8,917.47
Expiring beyond one year (Term loans)	-	-
Total	7,839.91	8,917.47

On the event of default, the Bank has an unconditional right to cancel the undrawn/ unused/ unavailed portion of the loan/ facility sanctioned at any time during the period of the loan/ facility, without any prior notice to the Group.

The working capital position of the Group is given below:

Particulars	31 March 2019	31 March 2018
Cash & Cash Equivalents	573.42	3,499.49
Investments in Mutual Funds	2,222.04	9,782.18
Other Bank Balances	2.86	-
Total	2,798.32	13,281.67

(ii) Maturities of financial liabilities

The tables below analyse the Group'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	Repayable on demand	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
31 March 2019					
Non - Derivative					
Borrowings	540.23	5,074.86	4,241.18	9,557.41	19,413.68
Trade payables	-	4,414.56	-	-	4,414.56
Other Financial Liabilities	-	1,590.90	-	-	1,590.90
Total Non - derivative liabilities	540.23	11,080.32	4,241.18	9,557.41	25,419.14
Contractual maturities of financial liabilities	Repayable on demand	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
31 March 2018					
Non - Derivative					
Borrowings	496.06	4,716.00	4,163.15	13,668.31	23,243.52
Trade payables	-	4,094.30	-	-	4,094.30
Other Financial Liabilities	-	1,322.59	-	-	1,322.59
Total Non - derivative liabilities	496.06	10,122.89	4,163.15	13,668.31	28,750.41



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

(C) Market Risk

(i) Foreign currency risk

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

(a) Foreign currency risk exposure:

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

Particulars	31 March 2019 INR (lakhs)	31 March 2018 INR (lakhs)
Financial Liabilities		
Buyers Credit	492.98	505.59
Net Exposure to foreign currency	492.98	505.59

(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		Impact on other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
EUR sensitivity				
INR/EUR - Increase by 10% (31 March 2018 - 1.2%)*	(31.40)	(32.99)	-	-
INR/EUR - Decrease by 10% (31 March 2018 - 10%)*	31.43	32.99	-	-

* Holding all other variable constant

(ii) Cash Flow and fair value interest rate risk

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

Particulars	31 March 2019	31 March 2018
Variable Rate Borrowings	15,152.97	17,938.17
Fixed Rate Borrowings	-	-
Total Borrowings	15,152.97	17,938.17

(b) Sensitivity

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

Particulars (INR Lakhs)	Impact on profit after tax		Impact on other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Interest Rate - Increase by 100 basis points*	107.14	120.49	-	-
Interest Rate - Decrease by 100 basis points*	(107.14)	(120.49)	-	-



GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

Particulars (Foreign Currency Loans)	Impact on profit after tax		Impact on other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Interest Rate - Increase by 20 basis points*	0.63	1.63	-	-
Interest Rate - Decrease by 20 basis points*	(0.63)	(1.63)	-	-

* Holding all other variable constant

(iii) Price risk

(a) Exposure

The Group's exposure to Investments arises from investment held by the Group 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 Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group

(b) Sensitivity

Profit or loss is sensitive to higher/ lower value of investments as a result of changes in price. Impact on profit after tax of increase/ decrease of 10% of price is as follows:

Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Net Asset Value - Increase 10% (31 March 2018 10%)*	144.56	639.68	-	-
Net Asset Value - Decrease 10% (31 March 2018 10%)*	(144.56)	(639.68)	-	-

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

29 **CAPITAL MANAGEMENT**

The Group considers total equity as shown in the balance sheet includes retained profit and share capital as managed capital:

The Group aims to manage 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 Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group'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 Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Group monitors capital on a five basis gearing ratio. Gearing ratio is Net Debt (total borrowings net of cash and cash equivalents) divided by Total Equity. The capital components of the Group are as given below:

Particulars	31 March 2019	31 March 2018
Total Equity	66,731.15	79,376.20
Total Borrowings	15,152.97	17,938.17
Cash & Cash Equivalents	(573.42)	(3,499.49)
Net Debt	14,579.55	14,338.68
Net Debt to Equity Ratio	0.22	0.18

Loan covenants

Under the terms of the major borrowing facilities, the Group 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
- Financial projections to be met with 10% variations
- Drawdown of Term Loan not to be used for acquisitions

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



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

30 SEGMENT INFORMATION:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Group. The Group has identified one reportable segment "Inter-Modal Logistics" i.e. based on the information reviewed by CODM. Thus, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities is as reflected in these financial statement as of and for the year ended March 31, 2019.

(a) Description of segments and principal activities

The Group is engaged in business of inter-modal 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.

(b) Segment revenue/results

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

Segment - Inter-Modal Logistics	31 March 2019	31 March 2018
	Revenue from external customers	Revenue from external customers
Segment revenue	86,741.46	78,879.96
Segment results		
Profit before Tax	13,917.98	9,755.44
Less: Tax expenses	2,785.65	1,437.36
Net profit before non-controlling interest	11,132.33	8,318.08

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

Revenue from external customers	31 March 2019	31 March 2018
India	86,741.46	78,879.96
Outside India	-	-
Total	86,741.46	78,879.96

No customer individually contributed to 10% or more of total revenue.

Segment assets and Segment liabilities	31 March 2019	31 March 2018
Segment assets - India	92,818.56	106,952.06
Segment liabilities - India	26,087.41	27,576.86



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

31 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

The Group had contingent liabilities at March 31, 2019 in respect of the following:

Particulars	31 March 2019	31 March 2018
Bank Guarantees and Continuity Bonds executed in favour of The President of India through the Commissioners of Excise and Customs and Sales Tax	349,611.67	353,927.00
Claims made by the parties not acknowledged as debts:		
- Container Corporation of India [Refer Note (i) below]	Not Ascertainable	Not Ascertainable
- Northern Railway [Refer Note (ii) below]	148.94	148.94

- (i) The Group and its Holding company (Joint venturer till 29 March 2019 and the holding thereafter), 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 Group at Garhi Harsaru, Gurgaon. Concor has raised claims on the Group 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. 148.94 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 Group. However till now the Group has not received the money, hence the same has been disclosed as 'Claims made by the parties not acknowledged as debts'. The matter is under arbitration.
- (iii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

32 COMMITMENTS:

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 2019	31 March 2018
Property, plant and equipment: Net of Capital Advance of Rs. 1.40 Lakhs (31-March-18: Rs. 265.37 Lakhs)	699.14	1,914.57

b) Non-Cancellable operating leases:

The Group has taken office premises and land under non-cancellable operating lease and lease rent of Rs. 44.82 Lakhs (31-March-18 Rs. 42.35 Lakhs) has been included under the head 'Other Expenses - Rent' under Note "25" in the Statement of Profit and Loss. On renewal, the terms of the leases are renegotiated.

Particulars	31 March 2019	31 March 2018
Commitment for minimum lease payments in relation to non - cancellable operating leases are payable as follows		
Within one year	46.59	44.82
Later than one year but no later than five years	198.38	193.72
Later than five years	545.64	596.88

Rental expenses relating to operating leases

Particulars	31 March 2019	31 March 2018
Minimum Lease Payments	44.82	42.35
Total Rental Expenses relating to operating leases	44.82	42.35

In addition, the Group has entered into various cancellable leasing arrangements for office premises and land in respect of which an amount of Rs. 603.63 Lakhs (31-March-18 Rs. 597.43 Lakhs) has been appropriately included under 'Other Expenses - Rent' under Note "25" in the Statement of Profit and Loss.



33 RELATED PARTY TRANSACTIONS

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

- (A) Holding company (from 30 March 2019)
The Group is jointly controlled by the following entities:

Name	Type	Place of incorporation	Ownership Interest
			31 March 2019
Gateway Distriparks Limited (GDL) Joint venturer till 29 March 2019 and the holding company thereafter.	Holding company	India	99.930%

- (B) Joint Venturers (till 29 March 2019)
The Group is jointly controlled by the following entities:

Name	Type	Place of incorporation	Ownership Interest
			31 March 2018
Gateway Distriparks Limited (GDL)	Joint Venturer	India	50.001%
Blackstone GPV Capital Partners (Mauritius) V-H Limited	Joint Venturer	Mauritius	49.900%

- (C) Jointly Controlled Entity

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

- (D) Subsidiary Companies of Holding company
Gateway East India Private Limited#
Gateway Distriparks (Kerala) Limited#
Chandra CFS and Terminal Operators Private Limited#

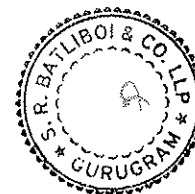
There are no transaction with the Group during the year

- (E) Entities in which directors have control/ significant influence
Newsprint Trading and Sales Corporation (NTSC)
Perfect Communications Private Limited
Snowman Logistics Limited

- (F) Directors of the Gateway Rail Freight Limited
(i) Executive Directors
Mr. Prem Kishan Dass Gupta (Chairman and Managing Director)
Mr. Samvid Gupta (Joint Managing Director)
Mr. Sachin Surendra Bhanushali (Chief Executive Officer)

- (ii) Independent and Non-Executive Directors
Mr. Ishaan Gupta (Non-Executive Director)
Mrs. Mamta Gupta (Non-Executive Director)
Mr. Gurdeep Singh (Non-Executive Director) upto 29 March 2019
Mr. Neeraj Mohan (Non-Executive Director) upto 29 March 2019
Mr. Ramaswamy Kumar (Non-Executive Director) upto 29 March 2019
Mr. Humanshu Dodeja (Non-Executive Director) upto 29 March 2019
Mr. Shabbir Hassaunbhai (Independent Director)
Mr. Arun Kumar Gupta (Independent Director)

Particulars	31 March 2019	31 March 2018
(i) Executive Directors		
Remuneration	199.53	203.49
Post-employment gratuity and leave benefits	9.69	26.45
Director Sitting Fees	29.00	12.00
Commission	1,025.00	375.00
(ii) Non Executive and Independent Director		
Sitting fees & Commission	195.00	123.00
Total compensation	1,458.22	739.94



GATEWAY RAIL FREIGHT LIMITED
 Not a member of, and not a subsidiary of, the Consolidated Financial Statements of the Group as at 31 March 2018

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

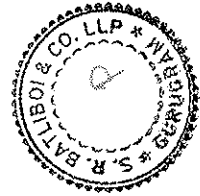
Sr. No.	Particulars	Gateway Rail Freight Limited (Joint venture till 29 March 2019 and the holding company thereafter)		Blackstone CDO Capital Partners (Mauritius) V-H Limited		Container Gateway Limited		Newspal Trading and Sales Corporation		Perfect Communications Private Limited		Seawoman Logistics Limited		Key Management Personnel/ Directors		Total
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	
1	Expense of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Provision for services (including tax)	5,217.52	-	-	-	-	-	-	36.50	-	-	-	-	-	-	5,254.02
3	Share of transferor's share	-	-	34,425.61	-	-	-	-	-	-	-	-	-	-	-	34,425.61
4	Provision for expenses on redemption of Company Shares	-	24,494	-	-	-	-	-	-	-	-	-	-	-	-	24,494
5	Provision for Short Coupon Redeemable Preference Shares	-	76,929.99	-	-	-	-	-	-	-	-	-	-	-	-	76,929.99
6	Provision for US Other Administrative expenses incurred on their behalf	-	-	-	0.59	-	-	-	-	-	-	-	-	-	-	0.59
7	Provision for rent and lease benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		5,217.52	17,423.99	34,451.21	-	-	0.59	-	36.50	-	-	-	-	13.47	1.69	90,223.54

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

Sr. No.	Particulars	Container Gateway Limited		Key Management Personnel/ Directors		Total
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	
1	Advance Receivable	-	-	4.37	-	4.37
2	Remuneration Payable to Executive Directors (net of TDS)	4.37	3.77	39.50	377.50	43.87
3	Commission Payable to Non-Executive and Independent Directors (net of TDS)	-	-	10.56	80.28	90.84
4	Provision for Director's Remuneration	4.37	3.77	1,127.03	479.09	1,644.26

(H) Loans to/from related parties
 No loan has been given/ received by/ from any related parties.

Terms and Conditions
 Services provided from the related parties are generally priced at arm's length. Other reimbursement of expenses by/from related parties 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 Consolidated Financial Statements for the year ended 31 March 2019

34 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) Reconciliation of earnings used in calculating earnings per share

Particulars	31 March 2019	31 March 2018
Profit attributable to the equity holders of the Group used in calculating basic earnings per share	11,084.75	8,304.89

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

Particulars	31 March 2019	31 March 2018
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

(c) Basic and Diluted earnings per share

Particulars	31 March 2019	31 March 2018
Total Basic and Diluted earnings per share attributable to the equity holders of the Group	2.76	2.06

(d) Information concerning the classification of securities

Compulsorily Convertible Preference Shares (CCPS): 120,000,000 Compulsory Convertible Preference Shares of Rs. 24.65 each were issued in August 2010 to Blackstone GPV Capital Partners (Mauritius) V-H Limited (Blackstone) against cash. During the year, the Copmays' CCPS have been acquired by GDL. These CCPS holders shall be entitled to non-cumulative dividend of 0.0001% of the face value of CCPS, as and when declared by the Group's Board prior to and in preference to the payment of any dividend on the Equity Shares. The Holders of CCPS shall also be entitled to participate in dividends issued by the Group over and above the Preferred Dividend on an 'as-if converted' basis. Subject to applicable laws, GDL holding the CCPS shall have the voting rights to vote on all matters to be decided by the Group as if the GDL 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.

35 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Collateral against borrowings

All current and non-current assets of the Group are pledged as security against debt facilities from the lender. For carrying amount of assets pledged as security refer note 36.

36 ASSETS PLEDGE AS SECURITY

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

Particulars	Notes	31 March 2019	31 March 2018
Current Assets			
Financial Assets			
<i>First Charge</i>			
- Current Investments	6(a)	2,222.04	9,782.18
- Trade Receivables	6(b)	7,598.00	7,387.30
- Cash and Cash Equivalents	6(c)	573.42	3,499.49
- Bank Balances other than above	6(d)	2.86	-
- Others Financial Assets	6(e)	408.23	727.52
- Others Current Assets	10	741.25	805.74
		11,545.80	22,202.23
Total Current Assets pledged as Security			
Non-Current Assets			
<i>First Charge</i>			
Property, Plant and Equipment	3	76,639.18	79,103.12
Capital Work-in-Progress	3(a)	159.59	1,141.68
Other intangible assets	4	2,306.95	2,566.94
Other Financial Assets	6(e)	660.73	376.20
Income tax assets (net)	9	947.70	729.99
Other Non-current Assets	8	558.61	831.90
Total Non-Current Assets pledged as Security		81,272.76	84,749.83
Total Assets pledged as Security		92,818.56	106,952.06



GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2019

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, 2019 are as follows:

Particulars	Foreign Currency Denomination	Foreign Currency Amount (In Lakhs) 31 March 2019	INR Amount (In Lakhs) 31 March 2019	Foreign Currency Amount (In Lakhs) 31 March 2018	INR Amount (In Lakhs) 31 March 2018
Buyers' Credit	EURO	6.10	483.18	6.10	504.47
Interest Accrued but not due on Buyers' Credit	EURO	0.12	9.80	0.01	1.12

38 DUES TO MICRO AND SMALL ENTERPRISES

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

Particulars	31 March 2019		31 March 2018	
	Non-current	Current	Non-current	Current
The principal amount and the interest due thereon remaining unpaid to any supplier				
- Principal amount	-	131.06	-	185.88
- Interest thereon	-	-	-	-
The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	-	-	-	-
The amount of interest accrued and remaining unpaid	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor.	-	-	-	-

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

39 The Group had issued 1,150 lakhs Zero Coupon Redeemable Preference Shares (ZCRPS) of Rs. 10/- each to Gateway Distriparks Limited(GDL), joint venturer on July 11, 2011. These ZCRPS was entitled to redemption premium ranging from Rs. 3.38 per ZCRPS in October 1, 2015 to Rs. 22.07 per ZCRPS on October 1, 2030. During previous year, the Group redeemed 1,150 Lakh zero coupon redeemable preference shares for a total consideration of Rs. 17,046.94 Lakhs as per the agreement which is pursuant to provision of Section 55 and other relevant provisions of Companies Act 2013. The Group had created a Capital Redemption Reserve account of Rs. 11,500 Lakhs equivalent to the nominal amount of the ZCRPS by utilizing the retained earnings.

40 Blackstone GPV Capital Partners (Mauritius) VH Limited ("Blackstone") had invested in 1,200 lakh Compulsory Convertible Preference Shares ("CCPS") and 100 equity shares of the Group. During the quarter ended June, 2018, the Group and GDL had entered into a Share Purchase Agreement (SPA) with Blackstone for acquiring the entire CCPS and equity shares held by Blackstone in the Group. The acquisition was expected to be completed by September 28, 2018, which was further extended up to December 28, 2018 viz-a-viz amendment agreement to the SPA dated October 04, 2018. Out of the total agreed consideration of Rs. 68,496 lakhs, Rs.12,499 lakhs was discharged on October 04, 2018 and 219 lakh CCPS were acquired. The balance consideration was to be paid by December 28, 2018.

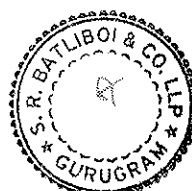
The transaction could not be completed by December 28, 2018 due to un-contemplated events in the debt market resulting into delay in raising necessary debt for the transaction, consequently Blackstone sent a notice of arbitration at Singapore International Arbitration Council dated December 29, 2018.

The Group, GDL and Blackstone had entered into a new SPA dated January 25, 2019 for purchase of balance 981 lakh CCPS and 100 equity share held by Blackstone, at a total consideration of Rs.58,066 lakhs. As per the new SPA, Rs.3,079 lakhs of the balance consideration was paid on February 01, 2019 and the balance cash consideration of Rs. 54,987.35 lakhs was paid on March 29, 2019 viz-a-viz new share purchase agreement dated January 25, 2019. The Arbitration notice sent by Blackstone under Share Subscription and Shareholders Agreement entered between the Group, GDL and Blackstone was withdrawn after the payment of balance purchase consideration on March 29, 2019. Post-acquisition of the shares acquired from Blackstone, GDL became the Holding Company with 99.93% shareholding as on March 31, 2019 with effect from March 29, 2019.

41 Disclosure pursuant to IND AS-8 "Accounting Policies, change in accounting estimates and errors" (specified under Sec 133 of the Companies Act 2013, read with rule 7 of Companies (Accounts) Rules, 2015) are given below:
Following are the restatement made in current year's financial statements pertaining to previous year

Particulars	Nature	31 March 2018	31 March 2018 (Signed)
Assets			
Trade receivable	Reclassification Items	7,387.30	7,782.60
Equity and Liabilities			
Trade payable other than MSMED	Reclassification Items	3,908.42	4,604.69
Other Current Liabilities	Reclassification Items	1,349.35	1,048.38

The above reclassification in the previous year's numbers have been made for better presentation in the financial statements and to confirm to the current year's classification/disclosure. This does not have any impact on the profit & EBITDA and hence no change in the basic and diluted earning per share of previous year.



42 INTERESTS IN OTHER ENTITIES

(a) Individually immaterial joint venture

Gateway Rail Freight Limited has interest in one number of individually immaterial joint venture that is accounted for using equity method. The joint venture as at 31 March 2019, in the opinion of the directors, is immaterial. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is same as the proportion of voting rights held.

Name of the entity	Place of business	% of Ownership interest	Relationship	Accounting Method	Quoted Fair Value		Carrying Amount	
					31 March 2019	31 March 2018	31 March 2019	31 March 2018
Container Gateway Limited	India	51.00%	Joint Venture	Equity Method	5.10	5.10	-	-
Total Equity Accounting Investments					5.10	5.10	-	-

(b) Summarised financial information for joint ventures

Particulars	31 March 2019	31 March 2018
Aggregate carrying amount of individually immaterial joint venture	-	-
Aggregate amounts of the Group's share of:		
Profit/(loss) from continuing operations	-	-
Post-tax profit or loss from discontinued operations	-	-
Total comprehensive income	-	-
Particulars	31 March 2019	31 March 2018
Share of profits from joint ventures	-	-
Total share of profits from associates and joint ventures	-	-

