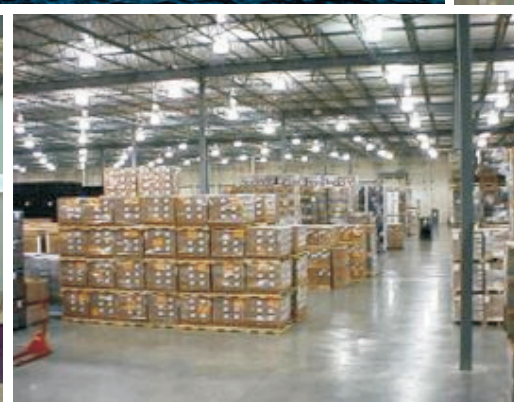
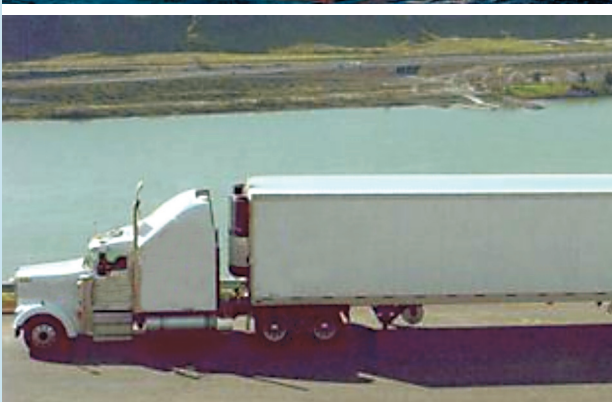


Annual Report
2006-2007



**Enhancing
value**



Chairman's Statement



Performance

FY 2007 has been a year of consolidation as well as new beginnings. On a consolidated basis, Gross Income grew 24% to Rs. 185 Crores from Rs. 150 Crores in FY 2006. Throughput increased by 14% to 240,491 TEUs.

We also reached the milestone of handling one million TEUs (Cumulative) at our facilities, the second half million achieved in just over two years. We have taken initiatives to expand capacities at existing locations & start CFSs at new locations. We have also taken initiatives in new businesses such as rail movement of containers and cold chain logistics.

For the financial year 2006-07, the Company paid interim dividends in November 2006 and in March 2007, totalling 35% (Rs. 3.50 per equity share). We also obtained approval of our shareholders in June 2007 for allotment of bonus shares in the ratio of 1 equity share for every 4 equity shares held in the company.

Economic Scenario

The Indian economy grew by 9.2% during the year under review. Industry recorded growth of 10.2%, despite increase in prices of fuel, cement, capital goods and metals. Merchandise exports grew by 23.8% to a record US \$ 125 billion, despite the strengthening of rupee particularly against the dollar. The foreign exchange reserves of India surpassed US \$ 200 billion in April 2007. India's share of world trade increased to 1% from 0.76% in the last three years.

According to the World Economic Outlook of the International Monetary Fund released in April 2007, global growth is expected to pick up from 4.9% in 2006 to 5.4% in 2007. We are confident that India will realize its ambitious plan to achieve exports of USD 160 billion and increase its share in world exports to 1.5% by the year 2008-09.





Expansion

During the year, we undertook certain initiatives for expanding the existing business as well as enter new related businesses.

Firstly, we entered the cold chain logistics business by taking management control in Snowman Frozen Foods Limited, a joint venture with Mitsubishi Corporation, Japan.

The next major initiative was taking over the operations of Punjab Conware's CFS near JNPT, Navi Mumbai under an Operations & Management Agreement.

We are also in the process of setting up a CFS at Kochi for which land acquisition has been substantially completed.

Our subsidiary, Gateway Rail Freight Limited (GRFL) signed the concession agreement with Indian Railways to operate container trains on the Indian Railway network. GRFL has acquired the requisite land in the NCR and in Punjab for setting up Inland container depots (ICD) with Rail Connectivity and has taken initiatives to acquire rakes for rail movement of containers.

These initiatives have set the course for rapid expansion of our businesses in the times ahead.

Future

Container traffic in India has shown impressive growth of 15% per annum during the last 5 years. Government has increasingly opened up the ports, rail movement of containers and the associated logistics activities to private players, which are key to GDL's operations and growth. We are monitoring the progress at the major ports, which show high growth, to set up CFSs to service these ports. We also intend to leverage GDL's expertise in logistics management to newer areas and move up the value chain by providing additional services.

We have now put the various building blocks in place and are on our way to become a total logistics player. This will be achieved through our network of Port related services (CFS), container rail transport (ICD) and cold chain logistics. In the course of the coming year, we expect to further strengthen the logistics chain through strategic joint-ventures. Enhancement of shareholder value, while being a model corporate citizen remains our overall objective.

Acknowledgement

I would like to thank the various members of the GDL family, including my fellow Directors on the Board, our partners in various businesses, our customers who patronize our facilities, our dedicated employees and our esteemed shareholders for their continuing support.

Gopinath Pillai





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BOARD OF DIRECTORS

1. Mr. Gopinath Pillai *Chairman*
2. Mr. Prem Kishan Gupta *Deputy Chairman & Managing Director*
3. Mr. Shabbir Hassanbhai
4. Mr. Karan Singh Thakral
5. Mr. Sat Pal Khattar
6. Mr. Kirpa Ram Vij
7. Mr. K.J.M. Shetty
8. Mr. M.P. Pinto
9. Mr. Saroosh Dinshaw
10. Mr. Arun Agarwal

COMMITTEES OF THE BOARD OF DIRECTORS

A) AUDIT AND INVESTORS RELATIONS COMMITTEE

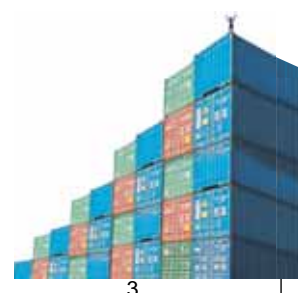
1. Mr. K.J.M. Shetty *Chairman of the Committee*
2. Mr. M.P. Pinto
3. Mr. Saroosh Dinshaw
4. Mr. Gopinath Pillai

B) REMUNERATION AND ESOP COMMITTEE

1. Mr. M.P. Pinto *Chairman of the Committee*
2. Mr. Sat Pal Khattar
3. Mr. Karan Singh Thakral
4. Mr. Kirpa Ram Vij
5. Mr. Saroosh Dinshaw

C) EXECUTIVE COMMITTEE

1. Mr. Gopinath Pillai *Chairman of the Committee*
2. Mr. Prem Kishan Gupta
3. Mr. Shabbir Hassanbhai
4. Mr. Karan Singh Thakral





REGISTERED OFFICE

Sector 6, Dronagiri, Taluka Uran, District Raigad, Navi Mumbai - 400 707

CONTAINER FREIGHT STATION (CFS)

Sector 6, Dronagiri, Taluka Uran, District Raigad, Navi Mumbai - 400 707

INLAND CONTAINER DEPOT (ICD)

Sri Maruthi Nagar, Garhi Harsaru, Gurgaon-122 505, Haryana

SUBSIDIARIES

Gateway East India Private Limited, Visakhapatnam-530 003

Gateway Distriparks (South) Private Limited, New Manali, Chennai-600 103

Gateway Rail Freight Limited, New Delhi-110 048.

Gateway Distriparks (Kerala) Ltd., Kochi - 682 003.

Snowman Frozen Foods Ltd., Bangalore - 560 043.

BANKERS

1. HDFC Bank Limited
2. ICICI Bank Limited
3. DBS Bank Limited

INTERNAL AUDITORS

Sahni Natarajan & Bahl, Chartered Accountants, Mumbai

AUDITORS

Price Waterhouse, Chartered Accountants, Mumbai

REGISTRAR AND TRANSFER AGENTS

Intime Spectrum Registry Limited, Mumbai



DIRECTORS' REPORT

Your Directors have pleasure in presenting their report for the year ended 31st March, 2007.

A. Financial Results

Sl. No.	Particulars	2006-07 (Rs. Million)	2005-06 (Rs. Million)
1	Income from Operations and Other Income	1,604.46	1,419.63
2	Profit before Interest, Depreciation and taxes	996.77	920.50
3	Interest	7.40	23.91
4	Depreciation	93.92	83.73
5	Profit before Exceptional items & taxation	895.45	812.86
6	Provision for tax	104.36	74.89
7	Provision for Deferred Tax	17.93	11.74
8	Profit after tax	773.16	726.23
9	Profit brought forward from previous year	632.48	294.61
10	Interim & Proposed Dividend	323.26	276.83
11	Tax on Dividend	45.33	38.83
12	Transfer to General Reserve	77.40	72.70
13	Profit carried to Balance Sheet	959.65	632.48

B. Dividend

The Company has paid two Interim dividends of 15% and 10% (total 25%) amounting to Rs. 2.50 per share and a special interim dividend of 10% to commemorate the handling of 1 million TEUs amounting to Re.1 per share, of the equity share capital of the company amounting to total Rs.323.26 million for the financial year 2006-07. The Dividend Distribution Tax borne by the Company on the Interim Dividend amounts to Rs.45.33 million. Your Directors recommend no final dividend for the financial year 2006-2007.

C. Management Discussion & Analysis:

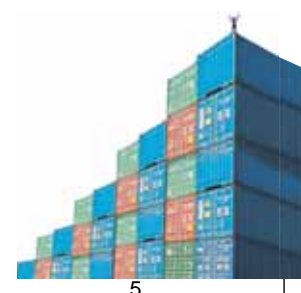
a) Industry structure and developments

Containerised movement of cargo has been growing at 15% per annum, as compared to the overall growth in Export Import trade of 9.5% per annum in recent years. Presently, 80% of India's port traffic consists of dry and liquid bulk cargo, while only 20% consists of general cargo including containers.

JNPT accounted for more than 50% of the total containerized traffic handled out of India. With the addition of the third Container terminal at JNPT, which commenced operations in 2006, JNPT's capacity increased to 3.70 Million TEUs, enabling JNPT to maintain its dominant market share, which will result in the expansion of the CFS Market.

b) Opportunities and threats

Growth of container traffic, private sector participation in ports and movement of containers by rail, liberalization of Government policies and continuous increase in the country's foreign trade, present the company with new opportunities for expansion and increase in profitability. The Company continues to prune its operating costs by acquiring and operating transport and handling equipment, which are operated by contractors. During the year, the Company entered into an Operations and Management agreement with Punjab State Container and Warehousing Corporation Limited for their CFS at Nhava Sheva, Navi Mumbai, for a period of 15 years. The





Company is in the process of setting up a CFS at the fast growing port of Kochi through a joint venture with Chakiat Agencies Private Ltd., who are prominent in the shipping related industry. During the year, the capacity at the CFS at Nhava Sheva was enhanced by completion of the construction of additional warehouse. The expansion of yard at Chennai was completed, adding to handling capacity. The Company's rail subsidiary, Gateway Rail Freight Limited (GRFL) signed the 20 years concession agreement with Indian Railways to operate container trains on the Indian railways network. GRFL also entered into a joint venture agreement with Container Corporation of India Limited (Concor) to operate the rail linked ICD at Garhi Harsaru. GRFL has placed order for rakes to carry out the rail movement of containers. During the year, the Company entered into the cold chain logistics business by acquiring equity stake in Snowman Frozen Foods Ltd., a premier player in this business.

Competition from existing and new entrants and managing the geographical / capacity expansion present the company with new challenges.

c) Segment-wise / Product-wise performance

The Company's entire business is from CFS & ICD operations. There are no other primary / secondary segments in the Company's business.

d) Outlook

The growth in container traffic during 2006-07 is expected to continue during 2007-2008. The expanded capacity of CFS at Nhava Sheva, and the commencement of business of rail movement of containers and the joint venture with Concor are expected to have positive impact on the Company's business and profitability.

e) Risks and concerns

Increase in fuel costs could result in increase in Company's major costs of transport and handling. Increase in container traffic vis-à-vis creation of capacity at the ports could lead to congestion at ports which would result in decline / delay in the throughput handled by the Company. The revenues of the Company are concentrated on the container volume handled by major shipping lines and consolidators, who use its CFSs at Navi Mumbai and other locations.

f) Internal Control systems and adequacy

The Company makes use of IT enabled solutions in its operations, accounting and for communication within its facilities and with customers and vendors. Financial and Operating guidelines are put in place to regulate the internal management. The Company's accounts and operations are subject to internal audit and review by the Audit Committee of the Board of Directors.

g) Financial / Operational performance

Operations:

The Company's income from operations & other income grew by 13% from Rs. 1,419.63 Millions in 2005-2006 to Rs. 1,604.46 Millions in 2006-2007. The company's throughput grew by 3% from 183,638 TEUs in 2005-2006 to 188,357 TEUs in 2006-2007. The Profit before tax increased from Rs.812.87 Millions in 2005-06 to Rs.895.45 Millions in 2006-07 after providing for interest Rs.7.40 Millions (2005-06: Rs.23.91 Millions) and depreciation Rs.93.92 Millions (2005-06: Rs.83.73 Millions).

Finance:

In March 2004, a consortium of 4 banks consisting of HDFC Bank Limited, DBS Bank Limited, State Bank of Mauritius Limited & Global Trust Bank Limited extended Term loan facility of Rs.240 Millions at interest rate of 8.5%, repayable in 12 quarterly installments of Rs.20 Millions from July 2004. This loan was availed in April 2004 to acquire the Inland Container Depot (ICD) at Garhi Harsaru, near Gurgaon and for upgradation of the same. During the year, the loan was repaid in full.

Apart from the above loan, the company has availed loans from banks for purchase of transport and handling equipment.

Loan of Rs.170 Millions, availed from Infrastructure Development Finance Company Limited (IDFC)



was being repaid in 24 equal quarterly instalments of Rs.7.08 Millions from January 2002. Eighteen installments of the loan were repaid till April 2006. The rate of interest on the loan was 11.5% w.e.f. April 2003. The balance of the loan amounting to Rs.42.50 millions was prepaid in May 2006, with the consent of IDFC, without any additional charges.

The amount of Rs. 260 Millions, received by the Company during July 2001 from IDFC for 22% equity stake in the company has been utilized in full for the construction of Phase 3 of CFS at Navi Mumbai.

Deployment of GDR Funds:

The Company had raised Rs. 3,846.34 Millions by Global Offering of 16.66 Million Equity Shares of Rs. 10 each at a premium of Rs. 220.87 per share in the form of Global Depository Receipts (GDRs) each representing one Share at an Offer price of USD 5.10 per GDR in December, 2005. The purpose of issue of Equity Shares and actual utilisation of funds till March 31, 2007 is given below:

Particulars	Purpose for GDR Issue	Actual utilisation of funds
Expand, upgrade and enhance the existing facilities, to acquire or construct CFS or ICD facilities in other strategic locations in India, to expand the scope of services to include other logistics-related solutions and for general corporate purposes	3,680.38	2,106.57
Offer Expenses (as specified in Prospectus)	165.96	165.96
Total	3,846.34	2,272.53

h) Human Resources

The Company continued to have cordial and harmonious relations with its employees. Human relations policies were reviewed and upgraded in line with the Company's plans for geographical expansion. Initiatives on training and development of human resources were undertaken. The Company had staff strength of 108 as on 31st March, 2007, compared to 110 employees as on 31st March, 2006.

i) Cautionary statement

Statements made in this report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might vary materially from those either expressed or implied.

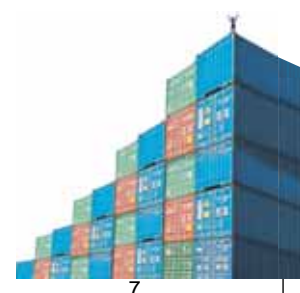
D. Subsidiaries:

GATEWAY EAST INDIA PRIVATE LIMITED (GEIPL)

The Company has 74% equity shareholding in GEIPL, which commenced operations at CFS at Visakhapatnam in 2005-06. During its first full year of operations, GEIPL achieved throughput of 10,661 TEUs and recorded total income of Rs.32.96 Millions and a loss of Rs.9.89 Millions after providing for interest on loan from ICICI Bank Rs.4.03 Millions and depreciation Rs.3.95 Millions. The operations are expected to stabilize in 2007-08 leading to increased throughput and higher profitability.

GATEWAY DISTRI PARKS (SOUTH) PRIVATE LIMITED (GDSPL)

In December 2004, the Company acquired 100% equity shareholding in Indev Warehouse & Container Services Pvt. Limited, which was engaged in the business of running a CFS at Chennai. The name was changed to Gateway Distriparks (South) Private Limited in June 2005. GDSPL's Income from operations grew by 68% to Rs 146.30 Millions in 2006-07 from Rs.86.85 Millions in 2005-06. Profit after tax for the financial year 2006-07 was Rs.35.39 Millions as against Rs.13.80 Millions for 2005-06.





☐ **GATEWAY RAIL FREIGHT LIMITED (GRFL)**

Your company acquired 100% shareholding in a subsidiary company which is renamed Gateway Rail Freight Limited. GRFL plans to construct Rail linked Inland Container Depot (ICD) on the plots of land acquired at Faridabad in Haryana and Ludhiana in Punjab. GRFL signed the concession agreement with Indian Railways for a period of 20 years, to operate container trains on the Indian railways network. GRFL also entered into a joint venture agreement with Container Corporation of India Limited (Concor) to operate the rail linked ICD at Garhi Harsaru. GRFL has placed order for rakes to carry out the rail movement of containers.

☐ **GATEWAY DISTRI PARKS (KERALA) LIMITED (GDKL)**

The Company has acquired 60% shareholding in GDKL, which is in the process of setting up a CFS at the fast growing port of Kochi. Chakiat Agencies Pvt. Ltd. hold 40% shareholding in this Joint venture company.

☐ **SNOWMAN FROZEN FOODS LIMITED (SFFL)**

On 22 November, 2006, the Company together with a third party has acquired 50.1% shareholding in SFFL, which operates 16 cold stores and a fleet of refrigerated trucks at the various major cities across the country. SFFL has pan India presence and provides total cold chain logistics solutions to its customers for products like seafood, dairy products, ice cream, fruits & vegetables, retail and food service. SFFL had total income of Rs.274.35 Millions and loss of Rs.47.67 Millions for the year ended 31 March, 2007. The Company is in the process of refurbishing its operations and resolving technical problems for operating in this fast growing business. Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group of Japan are the other major shareholders in this joint venture company.

E. Employees Stock Option Scheme (ESOP)

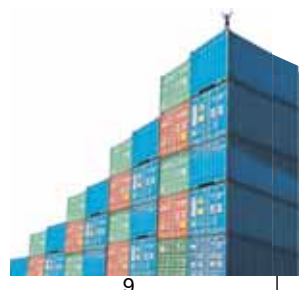
Sr. No.	Particulars	ESOP-I (2002-2003)	ESOP-II (2004-2005)	ESOP-III (2005-2006)	ESOP-IV (2006-2007)
a.	Options granted (net of cancelled options)	5,433 options for 100 Equity Shares each i.e. 543,300 Equity Shares	1,490 options for 100 Equity Shares each i.e. 149,000 Equity Shares	Options for 129,000 Equity shares	Options for 284,750 Equity Shares
b.	Pricing Formula	Exercise Price Rs. 10 per Equity Share	Exercise Price Rs. 22.50 per Equity Share	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee -- 15 Sep. 2005 -- Rs. 163.64 per Equity Share	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee -- 20 July, 2006 -- Rs. 136.56 per Equity Share
c.	Options vested	5,433	1,490	51,600	–
d.	Options exercised	5,433	1,440	18,800	–
e.	Total number of shares arising from exercise of options	543,300	144,000	18,800	–
f.	Options lapsed	–	–	–	–
g.	Variation of terms of options	–	–	–	–
h.	Amount realized by exercise of options	Rs.5.43 Millions	Rs. 3.24 Millions	Rs.3.08 Millions	–
i.	Total number of options in force as on 31-3-2007	–	40 options for 100 Equity Shares each i.e.4,000 Equity Shares	Options for 110,200 Equity Shares	Options for 284,750 Equity Shares
j.	Employee-wise details of options granted (net of cancellation)				
	i. Senior managerial personnel				
	a. Mr. Kirpa Ram Vij, Director	5,000 options for 100 Equity Shares each i.e.500,000 Equity Shares	–	–	–
	b. Mr. C. S. Verma, Chief Executive Officer	–	–	–	Options for 40,000 Equity Shares
	c. Mr. Kapil Anand, Former Chief Executive Officer	200 options for 100 Equity Shares each i.e. 20,000 Equity Shares	400 options for 100 Equity Shares each i.e. 40,000 Equity Shares	–	–



Sr. No.	Particulars	ESOP-I (2002-2003)	ESOP-II (2004-2005)	ESOP-III (2005-2006)	ESOP-IV (2006-2007)
	d. Mr. R. Kumar, Chief Finance Officer and Company Secretary	-	400 options for 100 Equity Shares each i.e. 40,000 Equity Shares	Options for 40,000 Equity Shares	Options for 40,000 Equity Shares
	e. Mr. Jacob Thomas, General Manager (Operations)	-	100 options for 100 Equity shares each i.e. 10,000 Equity Shares	Options for 16,000 Equity Shares	Options for 16,000 Equity Shares
	f. Mr. Kartik Aiyer General Manager (Finance & Accounts)	-	-	Options for 16,000 Equity Shares	Options for 16,000 Equity Shares
	g. Mr. Ravi Prasad Sr. Manager (Operations)	-	-	-	Options for 16,000 Equity Shares
	ii. Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year (net of cancelled options)	-	-	-	-
	iii. Identified employees who were granted options during any 1 year equal to or exceeding 1% of issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-	-	-
k.	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings per share'	Rs.8.36 per Equity Share			
l.	Difference between employee compensation cost based on intrinsic value & fair value Impact on PAT Rs. Millions Impact on EPS (Rs./ Share)	The shares of the company were unlisted at the time of the grant of these options. No additional amount of employee compensation costs results from difference between the fair value and intrinsic value of the stock options. - -		Additional Employee Compensation costs for 2006-2007: Rs. 10.21 Millions Reduction in PAT by Rs.9.06 Millions Basic EPS would reduce from Rs.8.37 per share to Rs.8.28 per Equity Share Diluted EPS would reduce from Rs.8.36 per share to Rs.8.27 per Equity Share	
m. (i)	Weighted Average Exercise Price	Rs.62.19 per Equity Share			
m. (ii)	Weighted Average Fair Value	The shares of the company were unlisted at the time of the grant of these options. No additional amount of employee compensation costs results from difference between the fair value and intrinsic value of the stock options.		Rs. 84.74 per Equity Share	
n.	Assumptions used to estimate fair value using Black Scholes option pricing model (i) Risk free interest rate (ii) Expected life (iii) Expected volatility (iv) Expected dividend (v) Market Price of share at the time of grant of option			7% 5.5 years 37.82% Rs.3 per Equity Share Rs.204.55	7% 5.5 years 37.82% Rs.3 per Equity Share Rs.170.70

F. Directors

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. Gopinath Pillai, Mr. Shabbir Hassanbhai and Mr. Sat Pal Khattar, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.





Your directors recommend the appointment of Mr. Saroosh Dinshaw and Mr. Arun Agarwal as Directors at the forthcoming Annual General Meeting of the Company.

G. Responsibility Statement

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :-

- i. that in the preparation of the annual accounts for the year ended 31st March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that such accounting policies as mentioned in Note I of Schedule "R" of the Annual Accounts have been applied consistently and judgments and estimates that are reasonable and prudent made, so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2007 and of the profit or loss of the Company for that period.
- iii. that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the annual accounts for the year ended 31st March, 2007 have been prepared on a going concern basis.

H. Corporate Governance

As a listed Company, necessary measures are taken to comply with the listing agreements with the Stock Exchanges. A report on corporate governance and certificate of compliance from the Auditors are given as Annexure A of this Report.

I. Listing of Equity Shares

The Company's Equity Shares are listed on the BSE Ltd., Mumbai situated at Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001 and the National Stock Exchange of India Ltd. situated at Exchange Towers, Bandra Kurla Complex, Mumbai. The Global Depository Receipts of the Company are listed on Bourse de Luxembourg, 11, Avenue de la Porte-Neuve, B.P. 165, Luxembourg, Grand Duchy of Luxembourg and are admitted for trading on London Stock Exchange plc, 10, Paternoster Square, London EC4M 7LS. The Company has made up-to-date payment of the listing fees.

J. Auditors

M/s. Price Waterhouse, Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible have offered themselves for re-appointment. The Company has received letter from M/s. Price Waterhouse, Chartered Accountants, confirming that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Their comments on the accounts and notes to the accounts are self-explanatory.

K. Registered Office

The Company has shifted its Registered Office to Navi Mumbai, Maharashtra from the National Capital Territory of Delhi in August 2006 after obtaining the necessary approvals from the members and Company Law Board.

L. Statutory Information

Disclosure under Section 217 (1) (e)

Conservation of Energy

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



Technology Absorption

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

Foreign Exchange Earnings and Outgo

- i) Expenditure in foreign currency: Rs. 40.55 Millions (2005-06: Rs.32.31 millions)
(including Capital items)
- ii) Earnings in foreign currency : Nil

Disclosure under Section 217 (2A)

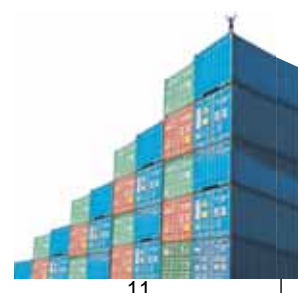
Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, as amended regarding employees forms part of this Report.

However, as per the provisions of Section 219 of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company, excluding the aforesaid information. Any shareholder, interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : June 21, 2007

Gopinath Pillai
Chairman





ANNUAL REPORT 2006 - 2007
ANNEXURE - A

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy of Corporate Governance

The Company is committed to adopt best Corporate Governance practices and endeavour continuously to implement the code of Corporate Governance in its true spirit. The philosophy of the company in relation to corporate governance is to ensure transparency in all its operations, make disclosures and enhance shareholders value without compromising in any way in compliance with laws and regulations. The Company has made Corporate Governance a practice and a process of development right across the Company.

2. Board of Directors

(i) Composition

The Board of Directors comprises of ten Directors including one Alternate Director. Apart from the Managing Director, all the other nine Directors are Non-Executive Directors. Of the ten Directors, five Directors represent the Promoters group viz. Windmill International Pte. Ltd., Parameswara Holdings Ltd., Thakral Corporation Ltd. and Prism International Pvt. Ltd., the other four Directors are Independent Directors.

(ii) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM)

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Mr. Gopinath Pillai	Chairman - NED	9	YES
Mr. Prem Kishan Gupta	Deputy Chairman and MD	10	YES
Mr. Arun Agarwal (Alternate Director)	NED	-	-
Mr. Shabbir Hassanbhai	NED	9	YES
Mr. Karan Singh Thakral	NED	7	YES
Mr. Sat Pal Khattar	NED	6	YES
Mr. K. J. M. Shetty	NED (I)	10	YES
Mr. M. P. Pinto	NED (I)	7	YES
Mr. Kirpa Ram Vij	NED (I)	8	YES
Mr. Saroosh Dinshaw	NED (I)	10	YES

NED (I) - Non-Executive Director - Independent

NED - Non-Executive Director

MD - Managing Director

(iii) Number of other Boards of Directors or Board Committees where Directors of the Company are a Director/Member/Chairman

Name of Director	No. of Directorships in other Boards *	No. of Memberships in other Board Committees	No. of Chairmanships in other Board Committees
Mr. Gopinath Pillai	5	1	-
Mr. Prem Kishan Gupta	2	1	1
Mr. Arun Agarwal (Alternate Director)	-	-	-



Name of Director	No. of Directorships in other Boards *	No. of Memberships in other Board Committees	No. of Chairmanships in other Board Committees
Mr. Shabbir Hassanbhai	3	1	1
Mr. Karan Singh Thakral	4	–	–
Mr. Sat Pal Khattar	8	1	–
Mr. K. J. M. Shetty	7	5	–
Mr. M. P. Pinto	4	2	–
Mr. Kirpa Ram Vij	–	–	–
Mr. Saroosh Dinshaw	2	1	–

* Directorships in Foreign Companies and Private Limited Companies are not included in the above table.

(iv) Details of Board Meetings held for the year April 1, 2006 to March 31, 2007:

Sr. No.	Date
1	April 28, 2006
2	June 07, 2006
3	July 20, 2006
4	August 28, 2006
5	September 28, 2006
6	October 31, 2006
7	November 22, 2006
8	January 31, 2007
9	March 14, 2007
10	March 25, 2007

3. Audit Committee

i) Composition, number of Meetings and Attendance

The Audit Committee comprises of four Directors, of which three are Independent Directors. Mr. K. J. M. Shetty (Independent Director) is the Chairman of the Audit Committee.

Mr. Gopinath Pillai, Mr. M. P. Pinto (Independent Director) and Mr. Saroosh Dinshaw (Independent Director) are the other three Members of the Committee.

During the year, five Audit Committee Meetings were held on April 28, 2006, June 07, 2006, July 20, 2006, October 31, 2006 and January 31, 2007. Attendance of each Audit Committee Member at the Audit Committee Meetings was as under:

Sr. No.	Name of Directors who are/ were members of the Audit Committee during 2006-2007	No. of Meetings attended
1.	Mr. K. J. M. Shetty	5
2.	Mr. Gopinath Pillai	5
3.	Mr. M. P. Pinto	4
4	Mr. Saroosh Dinshaw	5



All members of the Audit Committee are Non-Executive Directors. The Managing Director, Internal Auditors and Statutory Auditors are invitees to the meeting. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

ii) **Terms of Reference**

The terms of reference of this Committee cover matters specified under the Listing Agreement and the Companies Act, 1956 of India ("the Act").

4. Remuneration Committee

Constitution of Remuneration Committee by listed Public Limited Companies pursuant to the Listing Agreement is voluntary. Presently, the Company does not pay any remuneration to any Non-Executive Director other than commission and sitting fees for attending Board meeting.

Details of remuneration paid to the executive and non-executive directors for the year April 1, 2006 to March 31, 2007.

Name of the Director	Salary and Benefits	Commission (Rs.)	Perquisites and contribution to Provident Fund/ Superannuation Fund	ESOP entitlement	Terms of appointment
Mr. Prem Kishan Gupta	Nil	2,500,000	Nil	Nil	3 years w. e. f. July 20, 2006
Mr. Gopinath Pillai	Nil	2,500,000	Nil	Nil	N.A.
Mr. Shabbir Hassanbhai	Nil	2,000,000	Nil	Nil	N.A.
Mr. Karan Singh Thakral	Nil	500,000	Nil	Nil	N.A.
Mr. Sat Pal Khattar	Nil	500,000	Nil	Nil	N.A.
Mr. K. J. M. Shetty	Nil	1,000,000	Nil	Nil	N.A.
Mr. M. P. Pinto	Nil	1,000,000	Nil	Nil	N.A.
Mr. Kirpa Ram Vij	Nil	500,000	Nil	Nil	N.A.
Mr. Saroosh Dinshaw	Nil	500,000	Nil	Nil	N.A.

5. Investors' Relations Committee

i) **Composition**

This committee comprises of four Directors. Mr. K. J. M. Shetty is the Chairman of the Committee and Mr. Gopinath Pillai, Mr. M. P. Pinto and Mr. Saroosh Dinshaw, are the other members. All members of the Investors' Relations Committee are Non-Executive Directors.

During the year, five Investors' Relations Committee Meetings were held on April 28, 2006, June 07, 2006, July 20, 2006, October 31, 2006 and January 31, 2007. Attendance of each Investor's Relations Committee Member at the Investors' Relations Committee Meetings was as under:

Sr. No.	Name of Directors who are/ were members of the Investors' Relations Committee during 2006-2007	No. of Meetings attended
1.	Mr. K. J. M. Shetty	5
2.	Mr. Gopinath Pillai	5
3.	Mr. M.P. Pinto	4
4	Mr. Saroosh Dinshaw	5



ii) Compliance Officer
Mr. R. Kumar, Chief Finance Officer and Company Secretary.

iii) Complaints
64 Complaints were received during the year under review. All the complaints have been generally resolved to the satisfaction of the share/debenture holders. There were no Share Transfers pending as on March 31, 2007.

6. General Body Meetings

i) Location and time where last three Annual General Meetings were held :

Financial Year	Date	Time	Venue	No. of special resolutions passed
2003-2004	June 16, 2004	1.00 p.m.	The Radisson, NH No. 8, New Delhi - 110 037	Nil
2004-2005	September 14, 2005	3.30 p.m.	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi - 110 010	4
2005-2006	September 28, 2006	11.30 a.m.	Vishnudas Bhawe Natyagruha, Sector 16A, Vashi, Navi Mumbai - 400 705	Nil

ii) The Company sought shareholders approval through Postal Ballot for following purposes:

A) The Company had sought approval of the members as set out in the notice dated 24 March, 2006 for shifting the registered office of the company from the National Capital Territory of Delhi to the State of Maharashtra.

Particulars	No. of votes and % cast in favour	No. of votes and % cast against
Resolution No. 1	54,074,231 (99.99%)	6,728 (0.01%)

The resolution was passed with requisite majority. Mr. S. N. Ananthasubramanian, practicing Company Secretary, was appointed as Scrutinizer for conducting the Postal Ballot exercise.

B) The Company had sought approval of the members as set out in the notice dated 30 April, 2007 for:

- 1) Capitalisation of Share Premium Account and issue of bonus shares in the ratio of 1:4 to existing equity shareholders of the Company. (Resolution No. 1)
- 2) Increase in authorized share capital (Resolution No. 2)
- 3) Amendment of Articles of Association (Resolution No. 3)

Particulars	No. of votes and % cast in favour	No. of votes and % cast against
Resolution No. 1	49,612,252 (99.98%)	8,250 (0.02%)
Resolution No. 2	49,609,192 (99.98%)	11,112 (0.02%)
Resolution No. 3	49,606,569 (99.97%)	13,925 (0.03%)



The resolution was passed with requisite majority. 03 August, 2007 has been fixed as the record date for determining the shareholders, entitled to the bonus shares.

Mr. S. N. Ananthasubramanian, practicing Company Secretary, was appointed as Scrutinizer for conducting the Postal Ballot exercise.

iii) Procedure for Postal Ballot

After receiving the approval of the Board of Directors, the Notice, Explanatory Statement along with the Postal Ballot form and reply-paid self addressed envelope were dispatched to the members to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. Calendar of Events of the Postal Ballot process was filed with the Ministry of Corporate Affairs within the stipulated period. After the last date of receipt of Postal Ballot, the Scrutinizer, after due verification, submitted his report. Thereafter, the results of the Postal Ballot were declared by the Chairman / Authorised Persons. The same were posted on the website of the company and at the registered office of the Company.

At present there is no proposal for passing any special resolution through Postal Ballot.

7. Disclosures

- i) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures have been imposed against it in the last three years.
- ii) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in Note no. 8 of Schedule "R" to the accounts in the Annual Report.

8. Means of Communication

Quarterly results are published in one English daily newspaper (The Economic Times) circulating in the country and one Marathi newspaper (Maharashtra Times) published from Mumbai. During the financial year, the Company has not made any presentation to the institutional investors or analysts. The financial results are displayed on the Company's website www.gateway-distriparks.com and are also available on SEBI's website <http://sebidifar.nic.in>.

Since the quarterly/ half year results are published in leading newspapers as well as displayed on website, the same are not sent to the Shareholders of the Company.

The company has designated an email ID: investor@gateway-distriparks.com for the purpose of registering complaints by investors.

9. General Shareholder Information

AGM: Date, Time and Venue	Thursday, 20 September, 2007 at 11.30 a.m. at Vishnudas Bhawe Natyagruha, Sec. 16A, Vashi, Navi Mumbai - 400 705
Financial calendar	i) Financial Year - April 1 to March 31 ii) First Quarter Results - July, 2007 iii) Half Yearly Results - Last Week of October, 2007 iv) Third Quarter Results - Last Week of January, 2008 v) Audited Results for the year 2007-2008 - Last Week of May/ June, 2008
Date of Book Closure	Wednesday, 12 September, 2007 to Thursday, 20 September, 2007 (both days inclusive)
Dividend Payment date	Not Applicable



Listing of Stock Exchange	BSE Ltd. Mumbai National Stock Exchange of India Limited, Mumbai	Code 532622 Symbol GDL
ISIN Number for NSDL and CDSL	INE852F01015	
Market Price Data High, Low during each month in last Financial Year	Please see Annexure 'A'	
Stock Performance	Please see Annexure 'B'	
Registrar and Transfer Agents	M/s. Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Contact Person : Mr. Mahadevan Telephone No. : 2596 3838 Fax No. : 2594 6969 Email id: rnthelpdesk@intimespectrum.com	
Share Transfer System	The Company's shares being in the compulsory dematerialised list are transferable through the depository system. All the Shares are dematerialised except 14 folios.	
Distribution of shareholding and shareholding pattern as on March 31, 2007	Please see Annexure 'C'	
Dematerialisation of shares and liquidity	96.81 per cent of the paid-up Share Capital has been dematerialised as on March 31, 2007.	
Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	1,720,000 GDRs are outstanding as on 31 March 2007	
CFS / ICD Location:	<u>Mumbai :</u> Container Freight Station Sector 6, Dronagiri, Taluka: Uran, District : Raigad Navi Mumbai - 400 707 <u>Garhi Harsaru:</u> Shree Maruti Nagar, Garhi Harsaru Gurgaon, Haryana - 122 505	
Address for correspondence	Shareholders correspondence should be addressed to M/s. Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai - 400 078 Contact Person : Mr. Mahadevan Telephone No. : 2596 3838 Fax No. : 2594 6969 Email id: rnthelpdesk@intimespectrum.com	





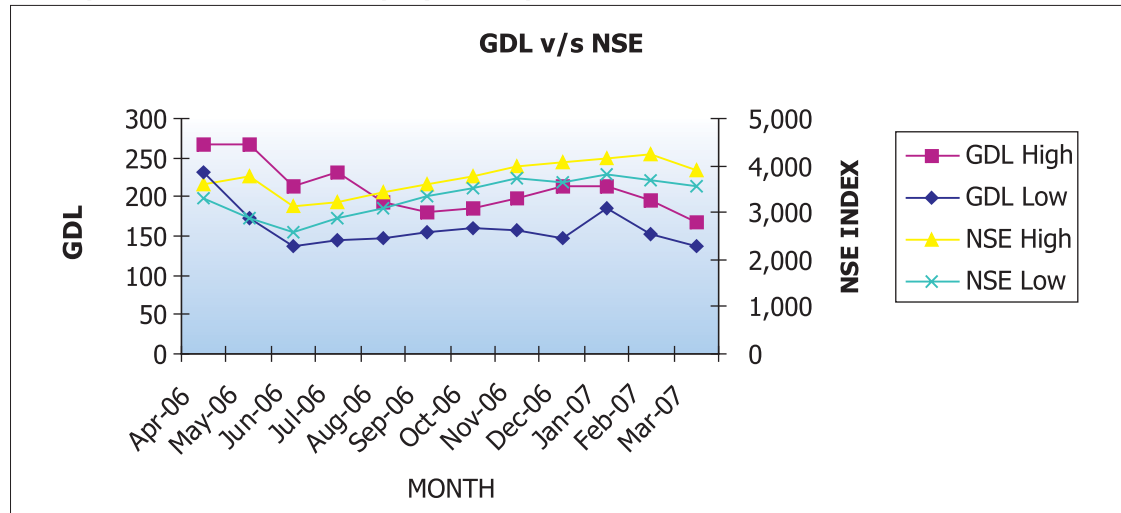
Annexure 'A'

Market price data- High/Low during each month on NSE

Month	High (Rs.)	Low (Rs.)
Apr-06	266.00	232.00
May-06	266.50	173.25
Jun-06	214.00	137.00
Jul-06	230.90	145.00
Aug-06	192.90	147.30
Sep-06	181.70	155.00
Oct-06	184.90	161.05
Nov-06	198.20	157.00
Dec-06	213.15	147.55
Jan-07	214.50	186.45
Feb-07	196.60	151.50
Mar-07	167.50	137.50

Annexure 'B'

Stock performance of the Company in comparison to NSE Sensex



Annexure 'C'

i) Distribution Schedule as on March 31, 2007

Shares Held	No. of Holders	Per cent	No. of Shares	Per cent
1-5000	43,427	94.14	46,857,560	5.07
5001-10000	1,521	3.29	12,489,020	1.35
10001-20000	598	1.30	9,249,900	1.00
20001-30000	170	0.37	4,415,330	0.48
30001-40000	91	0.20	3,301,850	0.36
40001-50000	59	0.13	2,783,720	0.30
50001-100000	107	0.23	7,778,200	0.84
Above 100001	157	0.34	836,795,420	90.60
Total	46,130	100.00	923,671,000	100.00



ii) Shareholding Pattern As On March 31, 2007

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Indian Promoters	12,567,445	13.61
2.	Foreign Promoters	21,777,800	23.58
3.	Persons acting in concert#	1,256,000	1.36
4.	Mutual Funds & UTI	1,938,157	2.1
5.	Banks, Financial Institutions, Insurance Co.s	5,164,239	5.59
6.	FII's (including GDRs)	34,468,750	37.32
7.	Private Corporate Bodies	4,691,293	5.08
8.	Indian Public	8,074,876	8.74
9.	NRI/OCBs	287,875	0.31
10.	Foreign Company	1,151,000	1.25
11.	Any other		
	– Directors & Their Relatives	208,651	0.23
	– Clearing members	73,914	0.08
	– ESOPs	707,100	0.77
TOTAL		92,367,100	100.00

includes shares held by Non-Executive Directors, as per list given below:

Sr. No.	Name of Director	Number of Shares held
1	Gopinath Pillai	240,000
2	Shabbir Hassanbhai	240,000
3	Karan Singh Thakral	240,000
4	Sat Pal Khattar	240,000
5	Arun Agarwal	96,000

Declaration:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Team have complied with the Code of Conduct for the financial year ended March 31, 2007.

For and on behalf of the Board of Directors of
Gateway Distriparks Limited

Prem Kishan Gupta
Deputy Chairman and Managing Director

Place: Mumbai
Dated: 21 June, 2007





AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

To the Members of Gateway Distriparks Limited

1. We have examined the compliance of conditions of Corporate Governance by Gateway Distriparks Limited (the Company) for the year ended March 31, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Partha Ghosh
Partner
Membership No.: F-55913

For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Mumbai
Date: June 21, 2007



AUDITORS' REPORT TO THE MEMBERS OF GATEWAY DISTRI PARKS LIMITED

1. We have audited the attached Balance Sheet of Gateway Distriparks Limited, as at March 31, 2007, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India ("The Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2007, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the Notes thereon and attached thereto give in the prescribed manner the information required by the Act and give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Partha Ghosh
Partner
Membership No.: F-55913

For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Mumbai
Date: June 21, 2007





ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Gateway Distriparks Limited on the financial statements for the year ended March 31, 2007]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company are physically verified by the Management according to a phased programme, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The Company has granted an unsecured loan to a subsidiary company covered in the Register maintained under Section 301 of the Companies Act, 1956 of India ("the Act"). The maximum amount involved during the year and the year-end balance of such loan aggregates Rs. 676,461,575 and Rs. 648,561,065, respectively.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not *prima-facie* prejudicial to the interest of the Company.
 - (c) In respect of the aforesaid loans, the parties are regular in payment of interest.
 - (d) According to the information and explanations given to us, the principal amount, in respect of the abovementioned loan is not due for repayment as at the year-end. Accordingly, the clause (iii) (d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 is not applicable to the Company for the year.
 - (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the clauses (iii) (f) and (iii) (g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, having regard to explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain services rendered and utilised are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.



7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities in India.
(b) According to the information and explanations given to us and records of the Company examined by us, there were no dues of sales tax, income tax, customs duty, excise duty, wealth tax, service tax and cess which have not been deposited on account of any dispute.
8. The Company has no accumulated losses as at March 31, 2007 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the records of the Company examined by us and the information and explanations given by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date. Further, there were no dues payable to debenture holders during the year.
10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
12. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
13. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by the subsidiary companies from the bank during previous years are not *prima-facie* prejudicial to the interest of the Company.
14. The Company has not obtained any term loans.
15. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
16. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
17. The Company has not issued any debentures during the year.
18. The Management has disclosed the end use of money raised during the year ended March 31, 2006 by Global offering of shares (Refer Note 11 on Schedule "R") and the same has been verified by us.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
20. The other clauses (ii) and (viii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable in the case of the Company for the current year, since in our opinion, there is no matter which arises to be reported in the aforesaid order.

Partha Ghosh
Partner
Membership No.: F-55913

For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Mumbai
Date: June 21, 2007





BALANCE SHEET AS AT MARCH 31, 2007

	Schedule Reference	31.03.2007 Rs.	31.03.2006 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	A	923,671,000	922,033,000
Reserves and Surplus	B	5,259,676,152	4,830,356,948
		6,183,347,152	5,752,389,948
Loan Funds			
Secured Loans	C	23,767,330	258,836,752
Deferred Tax Liabilities	D	135,321,636	117,394,782
TOTAL		6,342,436,118	6,128,621,482
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	2,241,300,511	1,992,889,393
Less: Depreciation		388,336,386	298,242,811
Net Block		1,852,964,125	1,694,646,582
Capital Work-in-Progress		366,900,000	92,994,562
		2,219,864,125	1,787,641,144
Pre-operative expenses pending capitalisation/allocation	F	14,101,557	–
Investments	G	1,647,934,445	293,739,610
Current Assets, Loans and Advances			
Sundry Debtors	H	77,460,704	60,116,042
Cash and Bank Balances	I	1,678,711,349	3,501,839,863
Other Current Assets	J	27,011,902	44,559,282
Loans and Advances	K	822,756,291	690,484,919
		2,605,940,246	4,297,000,106
Less: Current Liabilities and Provisions	L		
Liabilities		142,012,115	87,492,714
Provisions		3,392,140	162,266,664
		145,404,255	249,759,378
Net Current Assets		2,460,535,991	4,047,240,728
TOTAL		6,342,436,118	6,128,621,482
Notes to Accounts	R		
The Schedules referred to herein above form an integral part of the Accounts.			

This is the Balance Sheet referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date: June 21, 2007

For and on behalf of the Board of Directors

Gopinath Pillai
Chairman

Shabbir Hassanbhai
Director

Place : Mumbai
Date: June 21, 2007

Prem Kishan Gupta
Deputy Chairman and
Managing Director

R. Kumar
Chief Finance Officer and
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule Reference	2006-2007 Rs.	2005-2006 Rs.
INCOME			
Income from Operations	M	1,363,497,986	1,300,520,686
Other Income	N	240,957,711	119,109,857
		1,604,455,697	1,419,630,543
EXPENDITURE			
Employee Costs	O	62,769,581	64,473,930
Operating Expenses	P	544,919,665	434,660,515
Depreciation/ Amortisation		93,917,072	83,725,172
Interest	Q	7,397,356	23,905,514
		709,003,674	606,765,131
Profit before Taxation		895,452,023	812,865,412
Provision for Taxation (Refer Note 5 - Schedule "R")			
Income Tax – Current Year		101,700,000	71,000,000
– Earlier Years		1,249,635	2,093,610
Fringe Benefit Tax		1,415,283	1,800,819
Deferred Tax		17,926,854	11,741,934
Profit after Taxation		773,160,251	726,229,049
Profit and Loss Account Balance Brought Forward		632,483,616	294,605,301
		1,405,643,867	1,020,834,350
Transfer to General Reserve		77,400,000	72,700,000
Interim Dividend paid		323,255,150	138,304,950
Proposed Interim Dividend		–	138,520,950
Tax on Dividend		45,336,536	38,824,834
Profit and Loss Account Balance Carried to Balance Sheet		959,652,181	632,483,616
Earnings Per Share (Refer Note 10 - Schedule "R")			
– Basic		8.37	9.06
– Diluted		8.36	9.04
Notes to Accounts	R		
The Schedules referred to herein above form an integral part of the Accounts.			

This is the Profit and Loss Account referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Gopinath Pillai
Chairman

Prem Kishan Gupta
Deputy Chairman and
Managing Director

Shabbir Hassanbhai
Director

R. Kumar
Chief Finance Officer and
Company Secretary

Place : Mumbai
Date: June 21, 2007

Place : Mumbai
Date: June 21, 2007



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	2006-2007 Rs.	2005-2006 Rs.
A. Cash flow from operating activities :		
Profit Before Taxation	895,452,023	812,865,412
Adjustment for :		
Depreciation	93,917,072	83,725,172
Provision for Doubtful Debts	7,792,438	5,038,185
Provision for ESOP Expenses	6,869,335	3,556,421
Advances Written-off	-	212,953
Interest Expense	7,397,356	23,905,514
Interest Income	(174,765,474)	(85,213,125)
Gain on redemption of investments (Net)	(41,199,002)	(19,792,805)
Profit on Sale of Fixed Assets	(8,018,919)	-
Loss on Sale/ Discard of Fixed Assets	-	31,818
Provision for Retirement Benefits	(775,372)	1,918,017
Provision for Doubtful Ground Rent	769,000	2,974,250
Liabilities no Longer Required Written Back	(9,873,070)	(6,966,081)
Operating profit before working capital changes	777,565,387	822,255,731
Adjustments for change in working capital:		
- Decrease/ (Increase) in Sundry Debtors	(25,137,100)	11,814,912
- Decrease/ (Increase) in Loans and Advances	489,384,269	(488,440,841)
- Increase/ (Decrease) in Trade and Other Payables	60,835,013	(11,966,923)
Cash generated from operations	1,302,647,569	333,662,879
- Taxes Paid	67,925,373	59,395,146
Net cash from operating activities (A)	1,234,722,196	274,267,733
B. Cash flow from investing activities :		
Purchase of Fixed Assets	(553,901,925)	(327,036,627)
Sale of Fixed Assets	35,780,791	31,111
Decrease/(Increase) in pre-operative Expenses pending capitalisation	(14,101,557)	-
Purchase of Investments	(3,560,000,000)	(2,246,875,133)
Purchase of Shares in Subsidiary Companies	(1,498,653,678)	-
Sale of Investments	3,745,657,845	2,122,209,095
Share Application Money	(120,971,564)	(1,395,749)
Loan to Subsidiary Company	(501,351,599)	(19,811,145)
Interest Received	155,621,193	38,287,902
Net cash used in investing activities (B)	(2,311,920,494)	(434,590,546)
C. Cash flow from financing activities :		
Proceeds from fresh Issue of Shares (net of issue expenses)	19,519,304	3,680,934,211
Borrowings/ (Repayment) of Secured Loans	(235,069,422)	(539,430,010)
Interest Paid	(9,196,334)	(26,505,256)
Payment of Dividend	(456,419,664)	(287,743,351)
Payment of Dividend Tax	(64,764,100)	(40,434,770)
Net cash used in financing activities (C)	(745,930,216)	2,786,820,824
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(1,823,128,514)	2,626,498,011
Cash and Cash Equivalents at the beginning of the year	3,501,839,863	875,341,852
Cash and Cash Equivalents at the end of the year	1,678,711,349	3,501,839,863
Net Increase/ (Decrease) in Cash and Cash Equivalents	(1,823,128,514)	2,626,498,011



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)

	March 31, 2007 Rs.	March 31, 2006 Rs.
Cash and Cash Equivalents comprise:		
Cash on Hand	1,330,965	108,075
Cheques on Hand	2,635,135	1,468,677
Balances with Scheduled Banks on:		
– in Current Accounts	89,081,918	52,083,520
– in Unpaid Dividend Accounts	5,918,035	561,599
– in Unpaid Share Application Accounts	870,452	941,732
– in Deposit Account	1,578,874,844	3,446,676,260
	<u>1,674,745,249</u>	<u>3,500,263,111</u>
Cash and Cash equivalents as at year end	<u>1,678,711,349</u>	<u>3,501,839,863</u>

This is the Cash Flow Statement referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Gopinath Pillai
Chairman

Prem Kishan Gupta
Deputy Chairman and
Managing Director

Shabbir Hassanbhai
Director

R. Kumar
Chief Finance Officer and
Company Secretary

Place : Mumbai
Date: June 21, 2007

Place : Mumbai
Date: June 21, 2007





**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2007**

	31.03.2007 Rs.	31.03.2006 Rs.
"A" SHARE CAPITAL		
Authorised:		
110,000,000 Equity Shares of Rs. 10 each	<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued and Subscribed:		
92,367,100 (Previous year: 92,203,300) Equity Shares of Rs. 10 each, fully paid-up	<u>923,671,000</u>	<u>922,033,000</u>
	923,671,000	922,033,000
Notes:		
1. Of the above, 16,000,000 Equity Shares of Rs. 10 each were allotted as fully paid bonus shares by capitalisation of Share Premium and surplus in Profit and Loss Account.		
2. During the year, the Company has allotted 144,000 Equity Shares on May 3, 2006 pursuant to ESOP Plan, 2001, at a premium of Rs. 12.50 per equity share.		
3. During the year, the Company has allotted 1,000 Equity Shares on November 22, 2006 pursuant to ESOP Plan, 2001, at a premium of Rs. 12.50 per equity share.		
4. During the year, the Company has allotted 18,800 Equity Shares on January 31, 2007 pursuant to ESOP Plan, 2005, at a premium of Rs. 153.64 per equity share.		
5. For Employee Stock Option Plan, 2001 and Employee Stock Option Plan 2005 - Refer Notes 1(ix) and 4 - Schedule "R".		
"B" RESERVES AND SURPLUS		
Securities Premium Account		
Opening Balance	4,067,313,791	557,000,000
Received during the year (Refer Notes 2, 3 and 4 - Schedule "A" above).	17,881,304	3,679,742,847
Transferred from Employees Stock Options Outstanding on exercise of ESOP	769,108	1,412,580
	<u>4,085,964,203</u>	<u>4,238,155,427</u>
Less: Utilised for Shares Issue expenses	-	170,841,636
	<u>4,085,964,203</u>	<u>4,067,313,791</u>
General Reserve		
Opening Balance	127,000,000	54,300,000
Add: Transfer from Profit and Loss Account	77,400,000	72,700,000
	<u>204,400,000</u>	<u>127,000,000</u>
Profit and Loss Account Balance	959,652,181	632,483,616
Employees Stock Options Outstanding (Refer Notes 1(ix) and 4 - Schedule "R")		
Opening Balance	3,559,541	1,415,700
Addition during the year	6,869,335	3,556,421
Less: Transferred to Securities Premium Account on exercise of ESOP	(769,108)	(1,412,580)
	<u>9,659,768</u>	<u>3,559,541</u>
	5,259,676,152	4,830,356,948



**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)**

	31.03.2007 Rs.	31.03.2006 Rs.
"C" SECURED LOANS		
Term Loans		
– From Banks (Refer Note 1 below)	–	91,636,690
– From Financial Institution	–	49,583,335
– Vehicle Finance Loan from Banks (Refer Note 2 below)	23,767,330	117,616,727
Notes:		
1. During the year, the Company has repaid the Term Loan taken from consortium of bankers. The Company is in the process of obtaining the satisfaction of charge.		
2. Vehicle Finance Loan from Banks of Rs. 23,767,330 (Previous year: Rs. 117,616,727) are secured by way of hypothecation of the Company's Commercial Vehicles (Trailors and Reach stackers). [Vehicle Loan Repayable within one year Rs. 23,767,330 (Previous year: Rs. 93,849,418)]		
	23,767,330	258,836,752
"D" DEFERRED TAX LIABILITIES		
[Refer Note 1 (viii) - Schedule "R"]		
Deferred Tax Liabilities		
Timing difference between book and tax depreciation	135,321,636	117,394,782
	135,321,636	117,394,782

"E" FIXED ASSETS

[Refer Notes 1(ii), 1(iii), 1(v), 16 and 17 - Schedule "R")]

Particulars	Cost				Depreciation/ Amortisation				Net Book Value	
	As at 01.04.2006 Rs.	Additions/ Adjustments during the year Rs.	Deductions/ Adjustments during the year Rs.	As at 31.03.2007 Rs.	Up to 01.04.2006 Rs.	Depreciation for the year Rs.	Deductions/ Adjustments during the year Rs.	Up to 31.03.2007 Rs.	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
Freehold Land	212,503,331	88,453,775	–	300,957,106	–	–	–	–	300,957,106	212,503,331
Leasehold Land	268,258,705	–	–	268,258,705	35,432,411	4,470,980	–	39,903,391	228,355,314	232,826,294
Buildings	976,790,447	76,876,147	–	1,053,666,594	162,754,923	37,933,748	–	200,688,671	852,977,923	814,035,524
Office at Solitaire Park	–	24,730,620	24,730,620	–	–	235,145	235,145	–	–	–
Electrical Installations	23,384,970	2,887,993	–	26,272,963	5,528,024	1,202,239	–	6,730,263	19,542,700	17,856,946
Rail Siding	72,863,520	–	–	72,863,520	5,482,221	3,429,031	–	8,911,252	63,952,268	67,381,299
(Refer Note 1 below)										
Plant and Machinery	4,811,801	–	–	4,811,801	1,015,668	228,560	–	1,244,228	3,567,573	3,796,133
Yard Equipments	261,433,049	50,052,048	2,395,768	309,089,329	32,264,321	18,822,996	790,723	50,296,594	258,792,735	229,168,728
(Refer Notes 2 and 3 below)										
Office Equipments	8,182,824	249,725	206,398	8,226,151	1,754,293	420,725	92,435	2,082,583	6,143,568	6,428,531
Computers	20,687,826	1,841,535	1,082,523	21,446,838	14,549,855	2,233,225	1,044,567	15,738,513	5,708,325	6,137,971
Furniture and Fixtures	10,210,218	584,577	477,706	10,317,089	3,687,141	687,632	245,463	4,129,310	6,187,779	6,523,077
Vehicles	133,762,702	34,320,067	2,692,354	165,390,415	35,773,954	24,252,791	1,415,164	58,611,581	106,778,834	97,988,748
(Refer Note 4 below)										
TOTAL	1,992,889,393	279,996,487	31,585,369	2,241,300,511	298,242,811	93,917,072	3,823,497	388,336,386	1,852,964,125	1,694,646,582
Previous year	1,637,241,439	355,976,308	328,354	1,992,889,393	214,783,064	83,725,172	265,425	298,242,811		
Capital Work-in-Progress [including Capital Advances of Rs. 16,900,000 (Previous year: Rs. 61,357,340)]									366,900,000	92,994,562
									2,219,864,125	1,787,641,144

Notes:

1. Railway Siding includes Rs. 57,529,643 (Previous year: Rs. 57,529,643) being cost of railway siding constructed on land not owned by the Company.
2. Yard Equipments include Reach Stackers Costing Rs. 264,011,355 (Previous year: Rs. 223,704,547) and having Net Book Value Rs. 222,607,983 (Previous year: Rs. 199,035,226).
3. Additions to Yard Equipments include adjustment on account of net foreign exchange loss of Rs. 3,980,502 (Previous year: Rs. 424,200).
4. Vehicles include Trailors Costing Rs. 155,623,876 (Previous year: Rs. 122,132,102) and having Net Book Value Rs. 99,395,706 (Previous year: Rs. 89,102,664).



**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)**

	31.03.2007 Rs.	31.03.2006 Rs.
"F" PRE-OPERATIVE EXPENSES PENDING CAPITALISATION/ ALLOCATION		
[Refer Note 17 - Schedule "R"]		
Salaries, Allowances and Bonus	1,288,164	-
Staff Welfare	11,606	-
Transportation	3,122,932	-
Labour Charges	6,267,875	-
Operation and Maintenance Fees	16,700,000	-
Sub-Contract Charges	136,400	-
Power and Fuel	662,596	-
Rates and Taxes	835,226	-
Repairs and Maintenance:		
– Building/ Yard	402,522	-
– Plant and Machinery	69,391	-
Insurance	2,692,561	-
Customs Staff Expenses	887,513	-
Printing and Stationery	90,380	-
Travelling and Conveyance	1,860	-
Motor Car Expenses	52,954	-
Communication	54,543	-
Advertising Expenses	7,100	-
Security Charges	629,928	-
Professional Fees	8,100	-
Software Expenses	56,625	-
Miscellaneous	666	-
	<u>33,978,942</u>	<u>-</u>
Less: Income From Container Handling	(19,877,385)	-
	<u>14,101,557</u>	<u>-</u>
"G" INVESTMENTS		
[Refer Notes 1(iv) and 18 - Schedule "R"]		
(At Cost - Long Term, Unquoted, Trade)		
In Subsidiary Companies		
1,665,000 (Previous year: 750,000) Equity Shares of Rs. 10 each fully paid in Gateway East India Private Limited	33,300,000	15,000,000
99,000 (Previous year: 99,000) Equity Shares of Rs. 100 each fully paid in Gateway Distriparks (South) Private Limited	134,280,767	134,280,767
101,000,000 (Previous year: Nil) Equity Shares of Rs. 100 each fully paid in Gateway Rail Freight Limited (Formerly known as RAG Freight Services Private Limited)	1,010,000,000	-
40,298,619 (Previous year: Nil) Equity Shares of Rs. 10 each fully paid in Snowman Frozen Foods Limited [Purchased during the year Rs. 481,162,500 (41,251,000 Equity Shares) and sold during the year Rs. 10,000,000 (952,381 Equity Shares)]	470,053,678	-
30,000 (Previous year: Nil) Equity Shares of Rs. 10 each fully paid in Gateway Distriparks (Kerala) Limited (Formerly known as Gateway Distriparks (Kerala) Private Limited)	300,000	-
Sub-Total (A)	<u>1,647,934,445</u>	<u>149,280,767</u>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)**

"G" INVESTMENTS (contd.)	31.03.2007 Rs.	31.03.2006 Rs.
Current and Unquoted (at lower of Cost and Net Asset Value) (Non-Trade)		
Nil (Previous year - 3,069,083) units of HDFC Liquid Fund - Premium Plus Plan - Growth	-	42,871,843
Purchased during the year Rs. 1,090,000,000 (75,885,170 units) and sold during the year Rs. 1,132,871,843 (78,954,253 units) [Net Asset Value: Rs. Nil, (Previous year: Rs. 42,921,437)]		
Nil (Previous year - 99,553) units of DSP Merrill Lynch Liquidity Fund Institutional - Growth	-	101,587,000
Purchased during the year Rs. 1,220,000,000 (1,178,654 units) and sold during the year Rs. 1,321,587,000 (1,278,207 units) [Net Asset Value: Rs. Nil, (Previous year: Rs. 101,744,462)]		
Sub-Total (B)	-	144,458,843
Total (A+B)	1,647,934,445	293,739,610

Notes:

- The following investments were purchased and sold during the year 2006-2007:
(at Cost)
 - Nil (Previous Year: 3,191,294 units) of GCBG Grindlays Cash Fund - Institutional Plan B - Growth - 40,002,714
 - 72,159,360 (Previous Year: 6,018,730 units) of Prudential ICICI Liquid Plan Institutional Plus Growth Option 750,000,000 100,000,000
 - Nil (Previous Year: 8,883,125 units) of Principal Mutual Fund Short Term - Institutional Plan - Growth Option - 100,000,000
 - Nil (Previous Year: 9,568,789 units) of Principal Cash Management Fund - Liquid Option - Institutional Premium Plan - Growth Option - 102,509,483
 - Nil (Previous Year: 19,409,796 units) of HDFC Floating Rate Income Fund Long Term Plan - Growth - 220,000,000
 - Nil (Previous Year: 10,000,000 units) of DSP Merrill Lynch Fixed Term Plan - Series 1A - Growth - 100,000,000
 - 489,036 (Previous Year: Nil) of DSP Merrill Lynch Plus Institutional Growth Plan - Growth Plus 500,000,000 -
Cumulative Purchases Rs. 3,560,000,000
(Previous Year: Rs. 2,246,875,133)
Cumulative Sales Rs. 3,745,657,845
(Previous year Rs. 2,122,209,095)
- Aggregate amount of Unquoted Investments Rs. 1,647,934,445
(Previous year Rs. 149,280,767)
Aggregate amount of Quoted Investments Rs. Nil
(Previous year Rs. 144,458,843)
Aggregate Market Value of Quoted Investments Rs. Nil
(Previous year Rs. 144,665,899)





**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)**

	31.03.2007 Rs.	31.03.2006 Rs.
"H" SUNDRY DEBTORS		
[Unsecured]		
Debts Outstanding for a Period exceeding Six Months		
– Considered Good	64,572	5,374
– Considered Doubtful	18,501,060	15,699,006
	<u>18,565,632</u>	<u>15,704,380</u>
Other Debts		
– Considered Good	77,396,132	60,110,668
– Considered Doubtful	8,135,581	3,145,197
	<u>104,097,345</u>	<u>78,960,245</u>
Less : Provision for Doubtful Debts	26,636,641	18,844,203
	<u>77,460,704</u>	<u>60,116,042</u>
"I" CASH AND BANK BALANCES		
Cash on Hand	1,330,965	108,075
Cheques on Hand	2,635,135	1,468,677
Balances with Scheduled Banks:		
– in Current Accounts	89,081,918	52,083,520
– in Unpaid Dividend Accounts	5,918,035	561,599
– in Unpaid Share Application Accounts	870,452	941,732
– in Fixed Deposit Accounts	1,578,874,844	3,446,676,260
[Under lien with banks Rs. 348,874,844 (Previous year: Rs. 313,657,200) towards guarantee issued by them and loans given to subsidiaries]		
[Includes Rs. 1,573,811,546 (Previous year: Rs. 3,299,673,343) out of the proceeds of Global Depository Receipts Issue]		
	<u>1,678,711,349</u>	<u>3,501,839,863</u>
"J" OTHER CURRENT ASSETS		
(Unsecured)		
Accrued Interest on Fixed Deposits with Banks	12,573,908	32,654,832
Accrued Ground Rent		
– Considered Good	14,437,994	11,904,450
– Considered Doubtful	10,121,800	9,352,800
	<u>24,559,794</u>	<u>21,257,250</u>
Less : Provision for Doubtful Ground Rent	10,121,800	9,352,800
	<u>14,437,994</u>	<u>11,904,450</u>
	<u>27,011,902</u>	<u>44,559,282</u>



**SCHEDULES ANNEXED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)**

	31.03.2007 Rs.	31.03.2006 Rs.
"K" LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	17,095,183	8,961,007
Balances with Excise and Custom Authorities	8,727,570	11,754,523
Advance to a Subsidiary Company		
– Gateway Rail Freight Limited	527,678,925	–
– Gateway East India Private Limited	–	284,445
Share Application in a Subsidiary Company		
- Gateway East India Private Limited	19,571,564	18,300,000
- Gateway Distriparks (Kerala) Limited	119,700,000	–
Loan to a Subsidiary Company (Gateway Distriparks (South) Private Limited) (Refer Note 15 - Schedule "R")	120,882,140	147,209,466
Deposit with Railways	–	500,000,000
Security Deposits - Others	3,753,746	1,263,337
Tax Deducted at Source and Advance Tax	5,347,163	2,712,141
[Net of Provision for Tax Rs. 207,200,000 (Previous year Rs. 122,700,000)]		
[Refer Notes 5 and 6 - Schedule "R"]		
	822,756,291	690,484,919
"L" CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors (Refer Note 19 - Schedule "R")		
– Due to Small Scale Industrial Undertakings	–	–
– Other than Small Scale Industrial Undertakings	116,290,473	65,963,541
Security Deposits Received	1,887,147	1,054,340
Advances from Customers	12,444,327	7,526,629
Auction Surplus [Refer Note 1(vii)(b) - Schedule "R"]	1,672,394	6,879,582
Interest Accrued but not Due on Term Loans and Vehicle Finance Loans	39,947	1,838,925
Unpaid Dividend *	5,918,035	561,599
Unpaid Share Application Accounts *	870,452	941,732
Other Liabilities	2,889,340	2,726,366
	142,012,115	87,492,714
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
Provisions		
Wealth Tax	49,362	55,000
Fringe Benefit Tax	–	145,000
Proposed Interim Dividend	–	138,520,950
Tax on Dividend	–	19,427,564
Retirement Benefits [Refer Note 1(vi) - Schedule "R"]		
– Leave Encashment	1,568,999	2,611,047
– Gratuity	1,773,779	1,507,103
	3,392,140	162,266,664
TOTAL	145,404,255	249,759,378





SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	2006-2007 Rs.	2005-2006 Rs.
"M" INCOME FROM OPERATIONS		
[Refer Note I (vii) - Schedule "R"]		
Ground Rent - Gross	444,197,518	497,309,938
[Tax Deducted at Source: Rs. 9,961,055; (Previous year: Rs. 8,326,092)]		
Container Storage, Handling and Repair - Gross	855,174,863	706,194,449
[Tax Deducted at Source Rs. 8,099,759; (Previous year: Rs. 6,770,301)]		
Service Charges	38,161,855	46,416,985
Auction Sales	25,963,750	50,599,314
	1,363,497,986	1,300,520,686
"N" OTHER INCOME		
Rent - Gross	6,747,417	6,777,744
[Tax Deducted at Source Rs. 670,826; (Previous year: Rs. 949,999)]		
Interest on Fixed Deposits with Banks - Gross	163,694,787	74,276,559
[Tax Deducted at Source Rs. 36,740,943; (Previous year: Rs. 14,765,922)]		
Interest on Loan to Subsidiary - Gross	11,070,687	10,936,566
[Tax Deducted at Source Rs. 2,484,262; (Previous year: Rs. 2,454,132)]		
Gain on redemption of Investments (Net)	41,199,002	19,792,805
Profit on Sale of Fixed Assets (Net)	8,018,919	-
Liabilities no longer Required Written Back	2,993,488	2,357,521
Write back of Auction Surplus	6,879,582	4,608,560
Miscellaneous Income	353,829	360,102
	240,957,711	119,109,857
"O" EMPLOYEE COSTS		
Salaries, Allowances and Bonus	47,604,487	52,403,298
Contribution to Provident and Other Funds	3,094,695	2,402,203
Leave Encashment	1,617,404	2,190,349
Gratuity	1,791,455	2,084,247
Staff Welfare	1,792,205	1,837,412
Employees Stock Options Expense (Refer Note 4 - Schedule "R")	6,869,335	3,556,421
	62,769,581	64,473,930



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)

	2006-2007 Rs.	2005-2006 Rs.
"P" OPERATING AND OTHER EXPENSES		
Transportation	219,376,472	132,127,828
Labour Charges	44,194,786	40,895,918
Equipment Hire Charges	17,460,291	18,418,288
Surveyors' Fees	13,068,384	11,287,784
Sub-Contract Charges	73,192,590	66,621,244
Auction Expenses [Refer Note 1(vii)(b) - Schedule "R"]	13,834,558	26,078,969
Purchase of Pallets	13,310,261	17,992,420
Power and Fuel	14,460,137	13,327,537
Rent	1,957,632	440,484
Rates and Taxes	5,532,622	2,954,471
Repairs and Maintenance:		
– Building/ Yard	4,532,392	10,245,262
– Plant and Machinery	2,368,192	2,521,506
– Containers	1,332,551	2,099,272
– Others	4,302,243	3,136,233
Insurance	8,344,430	6,676,798
Directors' Sitting Fees	990,380	448,385
Customs Staff Expenses	8,969,504	9,480,277
Printing and Stationery	3,817,266	4,271,827
Travelling and Conveyance	18,449,540	15,147,676
Motor Car Expenses	3,081,817	2,686,052
Communication	4,335,952	4,217,522
Advertising Expenses	5,448,484	3,278,689
Security Charges	11,277,584	9,239,776
Professional Fees	31,916,758	12,623,940
Auditors' Remuneration:		
– As Auditors	2,000,000	1,575,000
– As Advisors, or in any other capacity, in respect of Other Services	150,000	120,000
– Reimbursement of Out-of-Pocket Expenses	10,785	41,587
Provision for Doubtful Debts [Refer Note 1(x) - Schedule "R"]	7,792,438	5,038,185
Provision for Doubtful Ground Rent	769,000	2,974,250
Software Expenses	1,914,025	253,110
Loss on Sale/ Disposal of Fixed Assets	–	31,818
Stamp Duty and Share Issue Expenses	106,121	2,041,566
Foreign Exchange Loss (Net) [Refer Note 1(v) - Schedule "R"]	2,160	121,200
Bank Charges	2,326,230	1,520,801
Advances written-off	–	212,953
Miscellaneous	4,294,080	4,511,887
	544,919,665	434,660,515
"Q" INTEREST		
Term Loan	5,185,494	20,935,856
Vehicle Finance Loan	2,211,862	2,969,658
	7,397,356	23,905,514





SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR THEN ENDED

"R" NOTES TO THE ACCOUNTS

I. Significant Accounting Policies:

(i) Basis of Accounting:

The financial statements have been prepared under historical cost convention, on an accrual basis of accounting and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, of India ("the Act").

(ii) Fixed Assets and Depreciation / Amortisation:

- (a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation/ amortisation. The Company capitalises all costs relating to the acquisition, installation and construction of fixed assets, including interest on borrowed funds used to finance the construction and acquisition of fixed assets, up to the date when the assets are ready for commercial use.
- (b) Depreciation on additions/ deletions to fixed assets is calculated on pro-rata basis from the month of such additions/ deletions. The Company provides depreciation on straight-line basis method at the rates specified under Schedule XIV (revised) to the Act or based on useful life whichever is higher, except for:
 - Leasehold land, which is being amortised over the lease period;
 - Rail Siding, which is being amortised over a period of twenty years based on useful life estimated by the Management; and
 - Reach Stackers (included in Yard Equipments), to be transferred to maintenance operator, are being depreciated over a period of seven years.
- (c) Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition/ construction.

(iii) Borrowing Cost:

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

(iv) Investments:

Investments are classified into long-term and current investments. Long-term investments are stated at cost, except where there is a diminution in value other than temporary in which case the carrying value is reduced to recognise the decline. Current Investments are stated at the lower of cost and fair value.

(v) Foreign Currency Transactions:

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction date. Realised gains and losses on settlement of foreign currency transactions are recognised in the Profit and Loss Account, except as stated below. Foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates, and the resultant exchange difference is recognised in the Profit and Loss Account except for the following:

- (a) Exchange difference arising on repayment / restatement of liabilities incurred prior to April 1, 2004 for the purposes of acquiring fixed assets, is adjusted in the carrying amount of the respective fixed assets.
- (b) Exchange difference arising on repayment/restatement of liabilities incurred on or after April 1, 2004 for the purpose of acquiring fixed assets from a country outside India, is adjusted in the carrying amount of the respective fixed assets.

The amounts so adjusted are depreciated over the remaining useful life of the respective fixed assets.



"R" NOTES TO THE ACCOUNTS (Contd.)

(vi) Retirement Benefits:

- (a) The Company has created "Employees Group Gratuity Fund", which has taken a Comprehensive Gratuity Policy - cum - Group Term Life Insurance Policy from Tata AIG Life Insurance Company Limited (Tata AIG). Gratuity is provided on the basis of premium paid on the above policy as intimated by Tata AIG. The adequacy of accumulated fund balance available with Tata AIG has been compared with actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.
- (b) The Company provides Leave Encashment entitlements in accordance with policies of the Company and actuarial valuation carried out by an independent actuary as at the Balance Sheet date.

(vii) Revenue Recognition:

- (a) Income from Container Handling and Repair and Service Charges is recognised on delivery of the container/ cargo. Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station/ Inland Container Depot. However, in case of long standing containers, the Income from Ground Rent is not accrued for a period beyond 60 days on a consistent basis as per the prevailing business practice.
- (b) Income from auction sales is generated when the Company auctions long-standing cargo that has not been cleared by customs. Revenue and expenses for Auction Sales are recognised when auction is completed after necessary approvals from appropriate authorities are obtained. 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 'Current Liabilities and Provisions'. Unclaimed Auction Surplus, if any, in excess of one year is written back as 'Income' in the following financial year.

(viii) Deferred Taxation:

Deferred Tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognised unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Deferred Tax is not recognised on timing differences, which would arise and expected to be reversed during the period of tax holiday.

(ix) Employees' Stock Option Scheme:

Stock Options granted to the employees under stock option schemes are evaluated as per the accounting treatment prescribed by Employees Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities and Exchange Board of India. Accordingly, the excess of the fair value of the stock option as on the date of grant of options is charged to the Profit and Loss Account on straight-line-method over the vesting period of the options. The fair value of the options is measured on the basis of an independent valuation performed or the market price in respect of stock options granted.

(x) Provision for doubtful debts:

The provision for doubtful debts reflects the Management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries.





"R" NOTES TO THE ACCOUNTS (Contd.)

2. Contingent Liabilities:

Particulars	(Rs.)	
	2006-2007	2005-2006
Bank Guarantees and Continuity Bonds executed in favour of The President of India through the Commissioners of Customs and in favour of Sales Tax Authorities.	2,901,484,844	2,555,767,200
Bank Guarantee issued by Bank in favour of Punjab State Container and Warehousing Corporation Limited in respect Operations and Management Contract of their CFS at Dronagiri Node, Nhava Sheva.	50,000,000	–
Counter indemnity for guarantees issued by bank for loans taken by subsidiaries and for guarantees given by banks to Commissioner of Customs and to State Pollution Control Board for Subsidiaries.	75,100,000	75,000,000
Total	<u>3,026,584,844</u>	<u>2,630,767,200</u>

3. Capital Commitments:

Estimated amount of contracts (net of advances of Rs. 16,900,000; Previous Year Rs. 61,357,340) remaining to be executed on capital account and not provided for is Rs. 72,393,628 (Previous Year Rs. 70,984,386).

4. Employee Stock Option Plan:

a) Employee Stock Option Plan, 2001 (ESOP)

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on August 28, 2001, the Company had introduced ESOP for its employees.

The Board of Directors in its meeting held on April 24, 2004 granted share warrants entitling options for 167,500 Equity Shares to the eligible employees of the Company at an exercise price of Rs. 22.50 per share (at a premium of Rs. 12.50 per share). The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares after a Minimum Exercise Period of 2 years from May 1, 2004 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 18,500 equity shares (Previous year 18,500) have lapsed on termination of employment of employees. The Company has allotted 144,000 and 1,000 equity shares on May 3, 2006 and on November 22, 2006, respectively, to employees under the Employee Stock Option Plan, 2001. The options for 4,000 (Previous year 149,000) equity shares at Rs. 22.50 per equity share were outstanding as on March 31, 2007. The rights under the options would be exercisable between May 1, 2006 and May 1, 2009 at a price of Rs. 22.50 per share (at premium of Rs. 12.50 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India ("SEBI") has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 ('SEBI guidelines'), which are applicable to stock option scheme for employees of all listed companies. On listing of its shares on March 31, 2005, the Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, the excess of Fair Value (calculated as per erstwhile Capital Issues (Controls) Act, 1947 Guidelines and duly certified by an independent Accountant) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is being recognised in the Books of Account and amortised over the vesting period.





"R" NOTES TO THE ACCOUNTS (Contd.)

b) Employee Stock Option Plan, 2005 - I

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on September 14, 2005, the Company had introduced new ESOP scheme for its directors and employees.

The Employee Stock Option Committee formed for the implementation of the plan, at its meeting held on September 15, 2005, granted share warrants entitling options for 240,000 Equity Shares to the eligible employees of the Company at Rs. 163.64 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from September 16, 2005 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 111,000 equity shares (Previous year 13,500) have lapsed on termination of employment of employees. The Company has allotted 18,800 Equity Shares on January 31, 2007 to employees under Employees Stock Option Plan, 2005. The options for 110,200 equity shares (Previous year 226,500) equity shares at an exercise price of Rs. 163.64 per equity share were outstanding as on March 31, 2007. The rights under the options would be exercisable on graded basis between September 16, 2006 and April 1, 2008 at a price of Rs. 163.64 per share (at premium of Rs. 153.64 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India ("SEBI") has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 ('SEBI guidelines'), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, the excess of Fair Value (Closing Market Price on National Stock Exchange as on September 14, 2005) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is being recognised in the Books of Account and amortised over the vesting period.

c) Employee Stock Option Plan, 2005 - II

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on September 14, 2005, the Company had introduced new ESOP scheme for its directors and employees.

The Employee Stock Option Committee at its meeting held on July 20, 2006, granted share warrants entitling options for 311,750 Equity Shares to the eligible employees of the Company and its Subsidiary Companies at an exercise price of Rs. 136.56 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from July 21, 2006 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 27,000 equity shares have lapsed on termination of employment of employees and the options for 284,750 equity shares at Rs. 136.56 per equity share were outstanding as on March 31, 2007. The rights under the options would be exercisable on graded basis between July 21, 2007 and April 1, 2009 at a price of Rs. 136.56 per share (at premium of Rs. 126.56 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India ("SEBI") has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 ('SEBI guidelines'), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, the excess of Fair Value (Closing Market Price on National Stock Exchange as on July 19, 2006) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is being recognised in the Books of Account and amortised over the vesting period.



"R" NOTES TO THE ACCOUNTS (Contd.)

5. Based on an opinions obtained from lawyer and tax consultant, the Management has taken a view that provisions of Section 80-IA (4)(i) of the Income Tax Act, 1961, of India ("the Income Tax Act") have been fulfilled and the Company is eligible for tax holiday under the Income Tax Act in respect of the Container Freight Station activities.

Consequently, the income-tax liability for the current financial year has been determined under "Minimum Alternate Tax" pursuant to Section 115JB of the Income Tax Act.

6. Certificates for tax deducted at source aggregating Rs. 16,588,128 (Previous Year Rs. 14,923,224) are in the process of being collected from customers and banks. The Management expects to collect these certificates prior to filing of income-tax return and hence, no provision has been considered necessary by the Management.

7. Segment Reporting

Primary Segment:

In accordance with Accounting Standard 17 - "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company has determined its business segment as "Container Freight Station". Since 100% of the Company's business is from Container Freight Station, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the Financial Statement as of and for the year April 1, 2006 to March 31, 2007.

Secondary Segment:

There is no secondary reportable segment relating to the Company's business.

8. Disclosure of Related Party transactions

Related Party Disclosures, as required by Accounting Standard 18 - 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India are given below:

Subsidiary Companies :

- i. Gateway East India Private Limited (GEIPL)
- ii. Gateway Distriparks (South) Private Limited (GDSPL)
- iii. Gateway Rail Freight Limited (Formerly Rag Freight Services Private Limited) (GRFL)
- iv. Gateway Distriparks (Kerala) Limited (Formerly Gateway Distriparks (Kerala) Private Limited (GDKL)
- v. Snowman Frozen Foods Limited (SFFL)

Key Management Personnel:

Mr. Prem Kishan Gupta,
Deputy Chairman and Managing Director

(Rs.)

Sr. Particulars No.	Subsidiary Companies		Key Managerial Personnel	
	2006-2007	2005-2006	2006-2007	2005-2006
Transactions during the year:				
1. Handling Income-GDSPL	4,886,000	3,664,500	—	—
2. Handling Expenses-GDSPL	1,257,000	942,750	—	—
3. Interest Income-GDSPL	11,070,687	10,936,566	—	—
4. Management Fees-GEIPL	667,907	149,725	—	—
5. Commission	—	—	2,500,000	2,400,000

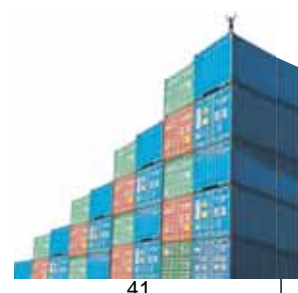


"R" NOTES TO THE ACCOUNTS (Contd.)

Sr. Particulars No.	Subsidiary Companies		Key Managerial Personnel	
	2006-2007	2005-2006	2006-2007	2005-2006
6. Transport Expenses-GRFL	3,000,000	—	—	—
7. Share Application Money-GEIPL	19,571,564	1,395,749	—	—
8. i. Loan given-GDSPL	25,047,082	49,113,300	—	—
ii. Loan given-GRFL	527,678,925	—	—	—
9. Recovery of Loan given-GDSPL	51,374,408	29,302,155	—	—
10. Investment in Equity Shares:				
i. GEIPL	18,300,000	—	—	—
ii. GRFL	1,010,000,000	—	—	—
iii. GDKL	300,000	—	—	—
iv. SFFL	481,162,500	—	—	—
11. Sale of Equity shares				
i. SFFL	10,000,000	—	—	—
Closing Balances:				
1. Investment in Equity Shares:				
i. GEIPL	33,300,000	15,000,000	—	—
ii. GDSPL	134,280,767	134,280,767	—	—
iii. GRFL	1,010,000,000	—	—	—
iv. GDKL	300,000	—	—	—
v. SFFL	470,053,678	—	—	—
2. Share Application Money				
i. GEIPL	19,571,564	18,300,000	—	—
ii. GDKL	119,700,000	—	—	—
3. Advances given:				
i. GEIPL	—	284,445	—	—
ii. GRFL	527,678,925	—	—	—
4. Creditors:				
i. GRFL	2,932,680	—	—	—
5. Loan given: GDSPL	120,882,140	147,209,466	—	—

9A. Directors' Remuneration:

	(Rs.)	
	2006-2007	2005-2006
Commission to Deputy Chairman and Managing Director	2,500,000	2,400,000
Commission to Non Whole-time Directors	8,500,000	6,400,000
Directors' Sitting Fees	990,380	448,385
Total	11,990,380	9,248,385





"R" NOTES TO THE ACCOUNTS (Contd.)

9B. Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956:

(Rs.)

	2006-2007	2005-2006
Net Profit before Tax	895,452,023	812,865,412
Add:		
Depreciation provided in the Profit and Loss Account	93,917,072	83,725,172
Directors' Remuneration	11,000,000	8,800,000
Directors' Sitting Fees	990,380	448,385
Provision for Doubtful Debts	7,792,438	5,038,185
Provision for Doubtful Ground Rent	769,000	2,974,250
Advances written-off	—	212,953
Loss on Sale / Disposal of Fixed Assets	—	31,818
	1,009,920,913	914,096,175
Less :		
Depreciation under Section 350 of the Companies Act, 1956	93,917,072	83,725,172
Loss on Sale / Disposal of Fixed Assets under Section 350 of the Companies Act, 1956	—	31,818
Gain on Redemption of Investment (Net)	41,199,002	19,792,805
Profit on Sale of Fixed Assets	8,018,919	—
	143,134,993	103,549,795
Net Profit for the purpose of Directors' Commission	866,785,920	810,546,380
Managerial remuneration permissible under the Companies Act, 1956 @ 5%	43,339,296	40,527,319
Commission to non Whole-time Directors @ 1%	8,667,859	8,105,464
Commission payable for the year restricted to:		
Managing Director	2,500,000	2,400,000
Non Whole- time Directors	8,500,000	6,400,000
Total	11,000,000	8,800,000

10. Computation of Earnings Per Share (Basic and Diluted):

The number of shares used in computing Basic Earnings per share (EPS) is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which would be issued on exercise of options under the Employees Stock Option Plan, 2001 and the Employees Stock Option Plan, 2005.



"R" NOTES TO THE ACCOUNTS (Contd.)

Particulars	(Rs.)	
	2006-2007	2005-2006
I. Profit Computation for both Basic and Diluted Earnings Per Share of Rs. 10 each Net Profit as per the Profit and Loss Account available for Equity Shareholders (in Rupees)	773,160,251	726,229,049
II. Weighted average number of Equity Shares for Earnings per Share computation For Basic Earnings Per Share	92,338,122	80,147,354
Add : Weighted average outstanding employee stock options deemed to be issued for no consideration	126,540	154,552
No. of Shares for Diluted Earnings Per Share	92,464,662	80,301,906
III. Earnings Per Shares in Rupees (Weighted Average)		
Basic	8.37	9.06
Diluted	8.36	9.04

11. Utilisation of Global Offerings of Equity Shares:

The Company had raised Rs. 3,846,342,847 by Global Offering of 16,660,000 Equity Shares of Rs.10 each at a premium of Rs. 220.87 per share in the form of Global Depository Receipts (GDRs) each representing one share at an offer price of USD 5.10 per GDR on December 15, 2005. The purpose of issue of Equity Shares and actual utilisation of funds till March 31, 2007 is given below:

Particulars	(Rs.)	
	Purpose for GDR issue (as specified in Prospectus)	Actual utilisation of Funds
Expand, upgrade and enhance the existing facilities, to acquire or construct CFS or ICD facilities in other strategic locations in India, to expand the scope of services to include other logistics-related solutions and for general corporate purposes	3,680,385,847	2,106,574,301
Offer Expenses	165,957,000	165,957,000
Total	3,846,342,847	2,272,531,301

The Company has placed Fixed Deposit with a Bank aggregating Rs. 1,573,811,546.

12. Value of Imports calculated on CIF basis:

	(Rs.)	
	2006-2007	2005-2006
Capital Goods	30,326,140	26,785,200

13. Expenditure in Foreign Currency:

	(Rs.)	
	2006-2007	2005-2006
Professional Fees	320,360	294,590
Travelling Expenses	3,103,572	2,683,896
Directors' Commission	6,000,000	5,500,000
Others	803,280	654,616





"R" NOTES TO THE ACCOUNTS (Contd.)

14. Remittances in Foreign Currency:

Net Dividends remitted in Foreign Currency to eleven (2005-2006: eleven) non-resident Shareholders:

For the Year	Nature of Dividend	No. of Equity Shares	2006-2007 Rs.	2005-2006 Rs.
2004-2005	Interim	27,518,001	–	27,518,001
2004-2005	Final	27,518,001	–	27,518,001
2005-2006	First Interim	44,918,001	–	67,377,002
2005-2006	Second Interim	34,817,901	52,226,852	–
2006-2007	First Interim	25,197,801	37,796,702	–
2006-2007	Second Interim	25,126,451	50,252,902	–

15. Loans and Advances in the nature of Loans to Subsidiaries (pursuant to Clause 32 of the Listing Agreement with Stock Exchanges):

a. Loans and Advances to Subsidiary Companies:

(Rs.)

Name of the Subsidiary Company	Amount Outstanding as at March 31, 2007	Maximum Amount Outstanding at any time during the year
Gateway Distriparks (South) Private Limited	120,882,140	148,782,650
Gateway Rail Freight Limited	527,678,925	527,678,925

- b. There are no loans and advances in the nature of Loans, where there is no repayment Schedule.
- c. All loans and advances in the nature of loans are given in term within the limits specified under Section 372 of the Act.

16. With effect from April 1, 2006, the Company has revised the estimate of useful life of Rail Siding from 5 years to 20 years. Consequently, the Company has provided depreciation on Rail Siding aggregating Rs. 3,429,031 for the year ended March 31, 2007 to Profit and Loss Account. Had the previous basis of depreciation been followed, depreciation for the year ended March 31, 2007 would have been higher by Rs. 11,143,673 and Profit before Taxation and Net Book Value of Fixed Assets would have been lower by an equivalent amount.

17. On January 12, 2007, Punjab State Container and Warehousing Corporation Limited ("Punjab Conware") has entered into an agreement with the Company to operate and manage Punjab Conware's Container Freight Station (CFS) at Dronagiri Node, Nhava Sheva, Navi Mumbai. The agreement is for a period of 15 years effective February 1, 2007. Pursuant to the Agreement, the Company has paid one time upfront fees of Rs. 350,000,000 to Punjab Conware. Further, Annual fees of Rs. 100,000,000 is payable to Punjab Conware, to be escalated annually at the Wholesale Price Index of April 1, every year, of which the Company has paid first instalment aggregating Rs. 16,700,000. The facility at Punjab Conware CFS requires overall upgradation to improve pavement of yard area, drainage systems, Electronic Data Interchange network and the condition of warehouse. The Company has commenced work for revitalisation and renovation of the CFS. Pending completion of work, the Company has accounted one time upfront fees of Rs. 350,000,000 under Capital Work-in-Progress and the instalment fees and other expenses incurred at Punjab Conware CFS aggregating Rs. 14,101,557 (net of Income from Container Handling Rs. 19,877,385) as Pre-operative expenses pending capitalisation/ allocation. The aforesaid expenses would be capitalised along with revitalisation and renovation expenditure in the year 2007-2008.



"R" NOTES TO THE ACCOUNTS (Contd.)

18. The Company has acquired 40,298,619 equity shares (net of 952,381 equity shares acquired on behalf of another Corporate and transferred to them subsequently, who under an agreement will vote with the Company on all matters and will not sell its shareholding without the Company's consent) of Snowman Frozen Foods Limited (SFFL) at aggregate cost of Rs. 470,053,678 (net of Rs. 10,000,000 received on transfer of 952,381 equity shares indicated above). SFFL is engaged in the business of cold chain logistics on a nation-wide basis. The Company entered into share subscription and shareholders agreement with SFFL and its present shareholders include Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group Inc., (who continue as substantial shareholders of SFFL with an aggregate 49.90% post-acquisition). The Company holds 48.94% shares in SFFL and has a right to nominate majority of the directors on the Board of SFFL.
19. There was no amount payable to Small Scale Industrial Undertaking to whom the Company owes a sum outstanding for more than thirty days at the Balance Sheet date. Further, there are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The Small Scale Industrial Undertaking and Micro, Small and Medium Enterprises have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
20. Gateway Rail Freight Limited (GRFL), subsidiary of the Company has entered into an agreement with Container Corporation of India Limited to form a Joint Venture Company (JV), which will operate the Company's Inland Container Depot at Garhi Harsaru. Pending formation of the JV, the Company has transferred the operations including receivables and payables under an Operations and Management arrangement to GRFL with effect from April 1, 2007.
21. The Company has been legally advised that necessary prior approval of the Central Government of India is not necessary under Section 297 of the Act with respect to purchase of "Handling Charges" and providing "Handling Income" services from/ to private limited companies where a director of the Company is a director.
22. The information required on other matters pursuant to clauses 3, 4C and 4D of Part II of Schedule VI to the Act, are either nil or not applicable to the Company during the year.
23. Previous year's figures have been rearranged to conform with current year's presentation, where applicable.
24. Refer Annexure for additional information pursuant to Part IV of Schedule VI of the Act.

Signatures to Schedules "A" to "R" forming part of the Accounts.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date: June 21, 2007

For and on behalf of the Board of Directors

Gopinath Pillai
Chairman

Shabbir Hassanbhai
Director

Place : Mumbai
Date: June 21, 2007

Prem Kishan Gupta
Deputy Chairman and
Managing Director

R. Kumar
Chief Finance Officer and
Company Secretary



“Annexure”

**ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE ACT.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities # Total Assets

(includes Shareholders' Funds)

Sources of Funds

Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets @ Investments

@ (includes Pre-Operative expenses pending capitalisation/ allocation)

(Please tick appropriate box + for Positive, - for Negative)

+ - Net Current Assets Miscellaneous Expenditure

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including Other Income) Total Expenditure

(Please tick appropriate box + for Profit, - for Loss) (Please tick appropriate box + for Profit, - for Loss)

+ - Profit /Loss Before Tax + - Profit /Loss After Tax

(Please tick appropriate box + for Positive, - for Negative)

+ - Earning Per Share (in Rs.) Dividend Rate %

V. Generic Names of Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code) Not Applicable
Product Description Not Applicable, since the Company is engaged in service activities relating to Container Freight Station.

For and on behalf of the Board of Directors

Gopinath Pillai
Chairman

Prem Kishan Gupta
Deputy Chairman and
Managing Director

Shabbir Hassanbhai
Director

R. Kumar
Chief Finance Officer and
Company Secretary

Place : Mumbai
Date: June 21, 2007



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF GATEWAY DISTRI PARKS LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached Consolidated Balance Sheet of Gateway Distriparks Limited ("the Company") and its subsidiaries as at March 31, 2007, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report (together comprising the "Consolidated Financial Statements"). These Consolidated Financial Statements are the responsibility of the Management of Gateway Distriparks Limited. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall Financial Statement Presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 2,077,101,749 as at March 31, 2007 and total revenues of Rs. 179,144,180 for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Gateway Distriparks Limited and its subsidiaries included in the Consolidated Financial Statements.
5. On the basis of information and according to the explanations given to us and on the consideration of the separate audit reports on individual audited Financial Statements of Gateway Distriparks Limited and its aforesaid subsidiaries, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of Gateway Distriparks Limited and its subsidiaries as at March 31, 2007;
 - (b) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Gateway Distriparks Limited and its subsidiaries for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Gateway Distriparks Limited and its subsidiaries for the year ended on that date.

Partha Ghosh
Partner
Membership No.: F-55913

For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Mumbai
Date: June 21, 2007





GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	Schedule Reference	Rs.	31.03.2007 Rs.	31.03.2006 Rs.
SOURCES OF FUNDS				
Shareholders' Funds				
Capital	A	923,671,000		922,033,000
Reserves and Surplus	B	5,264,087,900		4,829,689,792
			6,187,758,900	5,751,722,792
Loan Funds				
Secured Loans	C		74,861,996	318,836,752
Minority Interest	D		482,926,796	8,264,074
Deferred Tax Liabilities (Net)	E		150,118,081	122,203,173
TOTAL			6,895,665,773	6,201,026,791
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	F	4,373,449,801		2,387,235,022
Less : Depreciation		713,524,627		365,081,017
Net Block		3,659,925,174		2,022,154,005
Capital Work-in-Progress		1,055,304,501		134,059,185
			4,715,229,675	2,156,213,190
Pre-operative expenses pending capitalisation/allocation				
	G		47,427,482	–
Investments	H		22,000	144,458,843
Current Assets, Loans and Advances				
Sundry Debtors	I	182,142,973		69,998,169
Cash and Bank Balances	J	2,068,094,724		3,526,174,147
Other Current Assets	K	28,826,749		45,664,396
Loans and Advances	L	80,455,868		529,808,527
		2,359,520,314		4,171,645,239
Less : Current Liabilities and Provisions				
Liabilities	M	220,009,124		107,971,084
Provisions		6,714,391		163,319,397
		226,723,515		271,290,481
Net Current Assets			2,132,796,799	3,900,354,758
Miscellaneous Expenditure	N		189,817	–
TOTAL			6,895,665,773	6,201,026,791
Notes to the Accounts				
	T			

The Schedules referred to herein above form an integral part of the Accounts.

This is the Consolidated Balance Sheet referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

For and on behalf of the Board of Directors

Gopinath Pillai
Chairman

Prem Kishan Gupta
Deputy Chairman and
Managing Director

Shabbir Hassanbhai
Director

R. Kumar
Chief Finance Officer and
Company Secretary

Place : Mumbai
Date: June 21, 2007

Place : Mumbai
Date: June 21, 2007



GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED MARCH 31, 2007

	Schedule Reference	2006-2007 Rs.	2005-2006 Rs.
INCOME			
Income from Operations	O	1,609,617,673	1,385,756,186
Other Income	P	249,660,889	109,986,466
		1,859,278,562	1,495,742,652
EXPENDITURE			
Employee Costs	Q	91,152,505	76,825,579
Operating Expenses	R	706,294,690	472,407,222
Depreciation/ Amortisation		138,611,908	106,019,772
Interest	S	13,670,083	25,434,282
		949,729,186	680,686,855
		909,549,376	815,055,797
Profit before Taxation			
Provision for Taxation			
Income Tax (Refer Note 5 - Schedule "T")			
– Current Year		107,700,000	72,750,000
– Earlier Years		1,249,635	2,093,610
Fringe Benefit Tax		1,899,048	1,964,027
Deferred Tax (Refer Note 1(x) - Schedule "T" and Schedule "E")		27,914,908	16,550,325
		770,785,785	721,697,835
Minority Interest		(7,448,633)	(1,050,335)
		778,234,418	722,748,170
Net Profit			
Profit and Loss Account Balance Brought Forward		627,316,460	292,919,024
		1,405,550,878	1,015,667,194
Transfer to General Reserve		77,400,000	72,700,000
Interim Dividend paid		323,255,150	138,304,950
Proposed Interim Dividend		–	138,520,950
Tax on Dividend		45,336,536	38,824,834
		959,559,192	627,316,460
Profit and Loss Account Balance Carried to Balance Sheet			
Earnings Per Share (Refer Note 9 - Schedule "T")			
– Basic		8.43	9.02
– Diluted		8.42	9.00
Notes to the Accounts			
The Schedules referred to herein above form an integral part of the Accounts.			
	T		

This is the Consolidated Profit and Loss Account referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date: June 21, 2007

For and on behalf of the Board of Directors

Gopinath Pillai
Chairman

Shabbir Hassanbhai
Director

Place : Mumbai
Date: June 21, 2007

Prem Kishan Gupta
Deputy Chairman and
Managing Director

R. Kumar
Chief Finance Officer and
Company Secretary



GATEWAY DISTRI PARKS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2007

	2006-2007 Rs.	2005-2006 Rs.
A. Cash flow from operating activities:		
Profit Before Taxation	909,549,376	815,055,797
Adjustment for :		
Depreciation	138,611,908	106,019,772
Provision for Doubtful Debts	9,201,771	6,588,274
Provision for ESOP Expenses	6,869,335	3,556,421
Interest Expense	13,670,083	25,434,282
Interest Income	(173,867,188)	(75,032,774)
Loss on Sale / Discard of Fixed Assets	-	57,712
Provision for Retirement Benefits	1,197,770	2,263,489
Provision for Doubtful Ground Rent	1,339,000	3,453,050
Bad Debts written off	1,052,228	113,982
Advances and Deposits written off	-	212,953
Gain on redemption of investments (Net)	(41,199,002)	(19,792,805)
Profit on sale of Fixed Assets (Net)	(7,910,408)	-
Liabilities no Longer Required Written Back	(14,094,200)	(7,794,475)
Operating profit before working capital changes	844,420,673	860,135,678
Adjustments for change in working capital:		
- Decrease/ (Increase) in Sundry Debtors	(122,398,803)	7,809,228
- Decrease/ (Increase) in Loans and Advances	445,871,649	(489,989,056)
- Increase/ (Decrease) in Trade and Other Payables	122,564,678	(9,815,741)
Cash generated from operations	1,290,458,197	368,140,109
- Taxes Paid	75,189,668	63,849,417
Net cash from operating activities (A)	1,215,268,529	304,290,692
B. Cash flow from investing activities:		
Purchase of Fixed Assets	(2,599,865,919)	(394,850,094)
Purchase of Investments	(3,560,022,000)	(2,246,875,133)
Decrease/(Increase) in pre-operative Expenses pending capitalisation	(42,992,930)	-
Assets Acquired/ Goodwill on acquisition of subsidiaries	347,429,914	-
Sale of Investments	3,745,657,845	2,122,209,095
Sale of Fixed Assets	40,212,543	71,111
Interest Received	157,333,568	27,598,188
Net cash used in investing activities (B)	(1,912,246,979)	(491,846,833)
C. Cash flow from financing activities:		
Proceeds of fresh issue of shares (Net of share issue expenses)	19,516,504	3,680,934,211
Borrowings/ (Repayment) of Secured Loans	(243,974,756)	(539,430,010)
Share Application money received from Minorities	-	1,700,000
Interest Paid	(15,458,957)	(28,034,024)
Payment of Dividend	(456,419,664)	(287,743,351)
Payment of Dividend Tax	(64,764,100)	(40,434,770)
Net cash used in financing activities (C)	(761,100,973)	2,786,992,056
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(1,458,079,423)	2,599,435,915
Cash and Cash Equivalents at the beginning of the year	3,526,174,147	926,738,232
Cash and Cash Equivalents at the end of the year	2,068,094,724	3,526,174,147
Net Increase/ (Decrease) in Cash and Cash Equivalents	(1,458,079,423)	2,599,435,915



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
MARCH 31, 2007 (Contd.)**

	March 31, 2007		March 31, 2006
	Rupees	Rupees	Rupees
Cash and Cash Equivalents comprise:			
Cash on Hand		2,675,024	132,090
Cheques on Hand		5,185,344	1,908,803
Balances with Scheduled Banks on:			
– in Current Accounts	137,770,024		59,454,724
– in Unpaid Dividend Accounts	5,918,035		561,599
– in Unpaid Share Application Accounts	870,452		941,732
– in Fixed Deposit Account	1,915,675,845		3,463,175,199
		<u>2,060,234,356</u>	<u>3,524,133,254</u>
Cash and Cash Equivalents as at year-end		<u>2,068,094,724</u>	<u>3,526,174,147</u>

Notes:

1. The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India.
2. Previous year's figures have been regrouped/ rearranged wherever necessary.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

Partha Ghosh
Partner
Membership No. F-55913
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date: June 21, 2007

For and on behalf of the Board of Directors

Gopinath Pillai
Chairman

Shabbir Hassanbhai
Director

Place : Mumbai
Date: June 21, 2007

Prem Kishan Gupta
Deputy Chairman and
Managing Director

R. Kumar
Chief Finance Officer and
Company Secretary





GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	31.03.2007 Rs.	31.03.2006 Rs.
"A" SHARE CAPITAL		
Authorised :		
110,000,000 Equity Shares of Rs. 10 each	<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued and Subscribed:		
92,367,100 (Previous year: 92,203,300) Equity Shares of Rs. 10 each, fully paid-up	<u>923,671,000</u>	<u>922,033,000</u>
	<u>923,671,000</u>	<u>922,033,000</u>
Notes:		
1. Of the above, 16,000,000 Equity Shares of Rs. 10 each were allotted as fully paid bonus shares by capitalisation of Share Premium and surplus in Profit and Loss Account.		
2. During the year, the Company has allotted 144,000 Equity Shares on May 3, 2006 pursuant to ESOP Plan, 2001, at a premium of Rs. 12.50 per equity share.		
3. During the year, the Company has allotted 1,000 Equity Shares on November 22, 2006 pursuant to ESOP Plan, 2001, at a premium of Rs. 12.50 per equity share.		
4. During the year, the Company has allotted 18,800 Equity Shares on January 31, 2007 pursuant to ESOP Plan, 2005, at a premium of Rs. 153.64 per equity share.		
5. For Employee Stock Option Plan, 2001 and Employee Stock Option Plan, 2005 - Refer Notes 1(xi) and 4 - Schedule "T".		
"B" RESERVES AND SURPLUS		
Securities Premium Account		
Opening Balance	4,071,813,791	561,500,000
Received during the year (Refer Note 2, 3 and 4 - Schedule "A" above).	17,881,304	3,679,742,847
Transferred from Employees Stock Options Outstanding on exercise of ESOP	769,108	1,412,580
	<u>4,090,464,203</u>	<u>4,242,655,427</u>
Less : Utilised for Shares Issue expenses	-	170,841,636
	<u>4,090,464,203</u>	<u>4,071,813,791</u>
Capital Reserve on consolidation	4,737	-
General Reserve		
Opening Balance	127,000,000	54,300,000
Add : Transfer from Profit and Loss Account	77,400,000	72,700,000
	<u>204,400,000</u>	<u>127,000,000</u>
Profit and Loss Account Balance	959,559,192	627,316,460
Employees Stock Options Outstanding (Refer Notes 1(xi) and 4 - Schedule "T")		
Opening Balance	3,559,541	1,415,700
Addition during the year	6,869,335	3,556,421
Transferred to Securities Premium Account on exercise of ESOP	(769,108)	(1,412,580)
	<u>9,659,768</u>	<u>3,559,541</u>
	<u>5,264,087,900</u>	<u>4,829,689,792</u>



GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)

	31.03.2007 Rs.	31.03.2006 Rs.
"C" SECURED LOANS		
Term Loans		
– From Banks [Refer Notes 1(a) and (b) below]	45,000,000	151,636,690
– From Financial Institution	–	49,583,335
Vehicle Finance Loan from Banks (Refer Note 2 below)	23,767,330	117,616,727
Hire Purchase Finance from Others (Refer Note 3 below)	6,094,666	–
Notes:		
1. a. During the year, the Company has repaid the Term Loan taken from consortium of bankers. The Company is in the process of obtaining the satisfaction of charge.		
b. Term Loan of Rs. 45,000,000 (Previous year : Rs. 60,000,000) from a bank is secured by mortgage of moveable and immovable assets of the Subsidiary Company. [(Term Loan repayable within one year Rs. 15,000,000 (Previous year: Rs. 15,000,000)].		
2. Vehicle Finance Loan from Banks of Rs. 23,767,330 (Previous year: Rs. 117,616,727) are secured by way of hypothecation of the Company's Commercial Vehicles (Trailors and Reach Stackers). [(Vehicle Loan Repayable within one year Rs. 23,767,330 (Previous year: Rs. 93,849,418)]		
3. Hire Purchase Finance from others of Rs. 6,094,666 (Previous Year: Rs. Nil) is secured by Hypothecation of Vehicles. [Hire Purchase Finance Repayable within one year Rs. 3,690,381 (Previous year: Rs. Nil)]		
	74,861,996	318,836,752
"D" MINORITY INTEREST		
Share Capital	506,433,810	5,000,000
Share Application Money	49,410,000	1,700,000
Reserves and Surplus:		
Subsidy from National Horticulture Board	926,675	–
Securities Premium	33,093,130	3,000,000
Profit and Loss Account	(106,936,819)	(1,435,926)
	482,926,796	8,264,074
"E" DEFERRED TAX LIABILITIES (NET)		
[Refer Note 1(x) - Schedule "T"]		
Deferred Tax Liabilities		
Timing difference between book and tax depreciation	155,318,142	134,058,145
(A)	155,318,142	134,058,145
Deferred Tax Assets		
Accrual for expenses allowable as tax deduction only on payment	2,177,724	1,393,858
Unabsorbed Depreciation	3,022,337	10,461,114
(B)	5,200,061	11,854,972
(A) - (B)	150,118,081	122,203,173





GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)

"F" FIXED ASSETS

[Refer Notes I (iii), I (iv), I (vi), I (vii), I 0 and I I - Schedule "T"]

(Rs.)

Particulars	Cost					Depreciation/ Amortisation					Net Book Value	
	As at 01.04.2006	Additions/ Adjustments during the year	On Acquisitions	Deductions/ Adjustments during the year	As at 31.03.2007	Up to 01.04.2006	Depreciation For the year	On Acquisitions	Deductions/ Adjustments For the year	Up to 31.03.2007	As at 31.03.2007	As at 31.03.2006
Intangible Assets												
Goodwill on Consolidation	157,094,264	134,496,361	-	-	291,590,625	21,013,222	21,325,969	-	-	42,339,191	249,251,434	136,081,042
Tangible Assets												
Freehold Land	220,094,618	1,014,321,686	10,998,655	-	1,245,414,959	-	-	-	-	-	1,245,414,959	220,094,618
Leasehold Land	268,258,705	-	5,008,800	-	273,267,505	35,432,411	4,470,980	-	-	39,903,391	233,364,114	232,826,294
Buildings	1,153,945,285	114,305,607	53,221,177	-	1,321,472,069	191,471,805	46,047,762	12,649,710	-	250,169,277	1,071,302,792	962,473,480
Office at Solitaire Corporate Park	-	24,730,620	-	24,730,620	-	-	235,145	-	235,145	-	-	-
Electrical Installations	32,268,319	12,062,468	-	-	44,330,787	7,235,439	1,988,199	-	-	9,223,638	35,107,149	25,032,880
Rail Siding (Refer Note 1 below)	72,863,520	-	-	-	72,863,520	5,482,221	3,429,031	-	-	8,911,252	63,952,268	67,381,299
Plant and Machineries Yard Equipments (Refer Note 2 and 3 below)	4,811,801	-	393,782,492	-	398,594,293	1,015,668	7,821,655	153,602,499	-	162,439,822	236,154,471	3,796,133
Office Equipments Computers Furniture and Fixtures Vehicles (Refer Note 4 below)	295,720,397	67,924,608	-	2,395,768	361,249,237	44,692,081	20,451,646	353,728	790,723	64,706,732	296,542,505	251,028,116
	9,169,727	1,794,012	2,543,858	223,738	13,283,859	1,796,073	519,598	765,835	102,237	2,979,269	10,304,590	7,373,654
	23,334,052	3,252,215	9,782,144	1,106,673	35,261,738	16,314,364	3,112,845	6,203,788	1,053,624	24,577,373	10,684,265	7,019,688
	15,186,993	8,748,206	2,396,565	620,956	25,710,808	4,779,646	1,462,896	1,785,848	302,833	7,725,557	17,985,251	10,407,347
	134,487,341	85,902,339	72,713,075	2,692,354	290,410,401	35,848,087	27,746,182	38,370,020	1,415,164	100,549,125	189,861,276	98,639,254
TOTAL	2,387,235,022	1,467,538,122	550,446,766	31,770,109	4,373,449,801	365,081,017	138,611,908	213,731,428	3,899,726	713,524,627	3,659,925,174	2,022,154,005
Previous Year	1,938,790,689	448,902,587	-	458,254	2,387,235,022	259,390,676	106,019,772	-	329,431	365,081,017	1,055,304,501	134,059,185
Capital Work-in-Progress (including advances of Rs. 622,980,306 (Previous year: Rs. 61,693,511))											4,715,229,675	2,156,213,190

Notes:

- Railway Siding includes Rs. 57,529,643 (Previous year: Rs. 57,529,643) being cost of railway siding constructed on land not owned by the Company.
- Yard Equipments include Reach Stackers Costing Rs. 303,578,940 (Previous year: Rs. 245,399,572) and having Net Book Value Rs. 251,392,905 (Previous year: Rs. 21,354,437).
- Additions to Yard Equipments include adjustment on account of net foreign loss of Rs. 3,980,502 (Previous year: Rs. 424,200).
- Vehicles include Trailors Costing Rs. 274,159,542 (Previous year: Rs. 122,132,102) and having Net Book Value Rs. 177,117,248 (Previous year: Rs. 89,102,664).

"G" PRE-OPERATIVE EXPENSES PENDING CAPITALISATION/ALLOCATION

[Refer Notes I (iv) and I I - Schedule "T"]

	31.03.2007 Rs.	31.03.2006 Rs.
Opening Balance	-	1,317,776
Salaries, Allowances and Bonus	11,167,172	62,800
Staff Welfare	11,606	-
Transportation	3,122,932	665,700
Labour Charges	6,267,875	1,080,000
Survey Charges	-	160,000
Container Handling Charges	-	117,453
Equipment Hire Charges	-	24,000
Operation and Maintenance Fees	16,700,000	-
Sub-Contract Charges	136,400	-
Power and Fuel	714,543	498,328
Rates and Taxes	837,226	108,644
Rent	1,540,300	-



GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)

"G" PRE-OPERATIVE EXPENSES PENDING CAPITALISATION/ALLOCATION (contd.)	31.03.2007 Rs.	31.03.2006 Rs.
Repairs and Maintenance:		
– Building/ Yard	402,522	178,501
– Electrical	–	108,000
– Plant and Machinery	69,391	39,914
– Others	–	204,518
Insurance	2,692,561	214,640
Customs Staff Expenses	887,513	–
Printing and Stationery	161,293	–
Travelling and Conveyance	2,281,244	249,084
Office Expenses	–	92,421
Motor Car Expenses	363,509	–
Communication	177,939	59,011
Advertising Expenses	400,904	–
Security Charges	629,928	227,453
Professional Fees	1,974,461	25,000
Bank Charges	16,231	55,214
Software Expenses	56,625	–
Preliminary Expenses Written off	2,800	–
Depreciation	4,431,752	–
Fringe Benefit Tax	140,316	–
Share Issue Expenses	10,955,175	–
Interest [(Net of Income Rs. Nil (Previous year: Rs. 488,437)]	–	2,842,915
Miscellaneous	975,510	–
	67,117,728	8,331,372
Less : Interest on Fixed Deposits	(1,015,861)	–
Less : Income from Container Handling	(18,674,385)	(2,036,448)
	47,427,482	6,294,924
Less :		
Capitalised to Building	–	(5,954,024)
Capitalised to Electrical Installation	–	(108,000)
Charged to Profit & Loss Account	–	(232,900)
	47,427,482	–
"H" INVESTMENTS		
[Refer Note I(v) - Schedule "T"]		
Current and Unquoted (at lower of Cost and Net Asset Value) (Non-Trade)		
Nil (Previous year - 3,069,083) units of HDFC Liquid Fund - Premium Plus Plan - Growth	–	42,871,843
Purchased during the year Rs. 1,090,000,000 (75,885,170 units) and sold during the year Rs. 1,132,871,843 (78,954,253 units) [Net Asset Value: Rs. Nil, (Previous year: Rs. 42,921,437)]		
Nil (Previous year - 99,553) units of DSP Merrill Lynch Liquidity Fund Institutional - Growth	–	101,587,000





GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)

	31.03.2007 Rs.	31.03.2006 Rs.
"H" INVESTMENTS (contd.)		
Purchased during the year Rs. 1,220,000,000 (1,178,654 units) and sold during the year Rs. 1,321,587,000 (1,278,207 units) [Net Asset Value: Rs. Nil, (Previous year: Rs. 101,744,462)]		
National Savings Certificates (Lodged with Government Authorities)	22,000	-
Sub-Total (B)	22,000	144,458,843
Notes:		
1. The following investments were purchased and sold during the year 2006-2007: (at Cost)		
(a) Nil (Previous Year: 3,191,294 units) of GCBG Grindlays Cash Fund - Institutional Plan B - Growth	-	40,002,714
(b) 72,159,360 (Previous Year: 6,018,730 units) of Prudential ICICI Liquid Plan Institutional Plus Growth Option	750,000,000	100,000,000
(c) Nil (Previous Year: 8,883,125 units) of Principal Mutual Fund Short Term - Institutional Plan - Growth Option	-	100,000,000
(d) Nil (Previous Year: 9,568,789 units) of Principal Cash Management Fund - Liquid Option - Institutional Premium Plan - Growth Option	-	102,509,483
(e) Nil (Previous Year: 19,409,796 units) of HDFC Floating Rate Income Fund Long Term Plan - Growth	-	220,000,000
(f) Nil (Previous Year: 10,000,000 units) of DSP Merrill Lynch Fixed Term Plan - Series IA - Growth	-	100,000,000
(g) 489,036 (Previous Year: Nil) of DSP Merrill Lynch Plus Institutional Growth Plan - Growth Plus - Cumulative Purchases Rs. 3,560,022,000 (Previous Year: Rs. 2,246,875,133) - Cumulative Sales Rs. 3,745,657,845 (Previous year: Rs. 2,122,209,095)	500,000,000	-
2. Aggregate amount of Unquoted Investments Rs. 22,000 (Previous year Rs. Nil) Aggregate amount of Quoted Investments Rs. Nil (Previous year Rs. 144,458,843) Aggregate Market Value of Quoted Investments Rs. Nil (Previous year Rs. 144,665,899)		
"I" SUNDRY DEBTORS		
[Unsecured]		
Debts Outstanding for a Period exceeding Six Months		
- Considered Good	5,944,979	55,515
- Considered Doubtful	45,474,150	15,913,594
	51,419,129	15,969,109
Other Debts - Considered Good	176,197,994	69,942,654
- Considered Doubtful	14,566,148	4,480,699
	242,183,271	90,392,462
Less: Provision for Doubtful Debts	60,040,298	20,394,293
	182,142,973	69,998,169



GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)

	31.03.2007 Rs.	31.03.2006 Rs.
"J" CASH AND BANK BALANCES		
Cash on Hand	2,675,024	132,090
Cheques on Hand	5,185,344	1,908,803
Balances with Scheduled Banks:		
– in Current Accounts	137,770,024	59,454,724
– in Unpaid Dividend Accounts	5,918,035	561,599
– in Unpaid Share Application Accounts	870,452	941,732
– in Fixed Deposit Accounts	1,915,675,845	3,463,175,199
[Under lien with banks Rs. 360,549,729 (Previous year: Rs. 325,064,914) towards guarantee issued by them and loans given to subsidiaries] [Includes Rs. 1,573,811,546 (Previous year: Rs. 3,299,673,343) out of the proceeds of Global Depository Receipts Issue]		
	2,068,094,724	3,526,174,147
"K" OTHER CURRENT ASSETS		
(Unsecured)		
Accrued Interest on Fixed Deposits with Banks	12,658,055	33,044,746
Accrued Ground Rent		
– Considered Good	16,168,694	12,619,650
– Considered Doubtful	12,242,200	10,903,200
	28,410,894	23,522,850
Less : Provision for Doubtful Ground Rent	12,242,200	10,903,200
	16,168,694	12,619,650
	28,826,749	45,664,396
"L" LOANS AND ADVANCES		
(Unsecured)		
Advances Recoverable in Cash or in Kind or for Value to be Received		
– Considered Good	48,618,965	11,539,330
– Considered Doubtful	1,000,000	–
	49,618,965	11,539,330
Less : Provision for Doubtful Advances	1,000,000	–
	48,618,965	11,539,330
Balances with Government Authorities	12,256,480	11,754,523
Deposit with Railways	–	500,000,000
Security Deposits-Others	14,912,813	3,254,098
Tax Deducted at Source and Advance Tax	4,667,610	3,260,576
[Net of Provision for Tax Rs. 216,493,595 (Previous year Rs. 124,562,000)]		
	80,455,868	529,808,527





GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007 (Contd.)

	31.03.2007 Rs.	31.03.2006 Rs.
"M" CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors *		
– Due to Small Scale Industrial Undertakings	–	–
– Other than Small Scale Industrial Undertakings	179,190,010	80,989,801
Security Deposits Received	1,887,147	1,054,340
Advances from Customers	13,108,960	8,014,570
Auction Surplus	1,672,394	6,879,582
Interest Accrued but not Due on Term Loans and Vehicle Finance Loan	50,051	1,838,925
Unpaid Dividend *	5,918,035	561,599
Unpaid Application Money on Securities*	870,452	941,732
Other Liabilities	17,312,075	7,690,535
	220,009,124	107,971,084
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
Provisions		
Wealth Tax	49,362	55,000
Fringe Benefit Tax	308,608	157,232
Proposed Interim Dividend	–	138,520,950
Tax on Dividend	–	19,427,564
Retirement Benefits [Refer Note I(viii) - Schedule "T"]		
– Leave Encashment	2,764,177	2,913,360
– Gratuity	3,592,244	2,245,291
	6,714,391	163,319,397
TOTAL	226,723,515	271,290,481
"N" MISCELLANEOUS EXPENDITURE		
[Refer Note I(xiii) - Schedule "T"]		
Preliminary expenses (to the extent not written off or adjusted)		
Registration fee and other expenses	158,500	–
Fee for drafting Memorandum and Articles of Association	16,836	–
Printing Charges	3,650	–
Others	13,631	–
	192,617	–
Less : Written off	2,800	–
	189,817	–
	189,817	–



GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2007 (Contd.)

	2006-2007 Rs.	2005-2006 Rs.
"O" INCOME FROM OPERATIONS		
[Refer Note 1(ix) - Schedule "T"]		
Ground Rent - Gross (Tax Deducted at Source Rs. 9,961,055; Previous year: Rs. 8,326,092)	487,076,027	531,268,007
Container Storage, Handling and Repair - Gross (Tax Deducted at Source Rs. 9,348,667; Previous year: Rs. 6,977,719)	979,163,518	755,874,589
Income from Cold Chain Logistics	77,623,952	-
Service Charges	38,922,773	46,839,833
Auction Sales	26,831,403	51,773,757
	1,609,617,673	1,385,756,186
"P" OTHER INCOME		
Rent-Gross (Tax Deducted at Source Rs. 670,826; Previous year: Rs. 949,999)	6,814,304	6,777,744
Interest on Fixed Deposits with Banks - Gross (Tax Deducted at Source Rs. 36,924,746; Previous year: Rs. 14,880,873)	173,867,188	75,032,774
Commission earned on Consignment Sales	4,480,619	-
Gain on redemption of investments (Net)	41,199,002	19,792,805
Profit on Sale of Fixed Assets (Net)	7,910,408	-
Liabilities no longer Required Written Back	7,214,618	3,185,915
Write back of Auction Surplus	6,879,582	4,608,560
Miscellaneous Income	1,295,168	588,668
	249,660,889	109,986,466
"Q" EMPLOYEE COSTS		
Salaries, Allowances and Bonus	70,853,730	62,530,346
Contribution to Provident and Other Funds	5,137,478	3,013,233
Leave Encashment	1,902,538	2,492,662
Gratuity	2,412,647	2,617,099
Staff Welfare	3,976,777	2,615,818
Employees Stock Options Expense (Refer Note 4 - Schedule "T")	6,869,335	3,556,421
	91,152,505	76,825,579
"R" OPERATING AND OTHER EXPENSES		
Transportation	296,856,681	140,148,853
Labour Charges	64,188,074	49,280,746
Equipment Hire Charges	17,794,491	18,541,288
Surveyors' Fees	13,869,484	11,447,909
Sub-Contract Charges	71,896,740	65,724,971
Auction Expenses (Refer Note 1(ix) - Schedule "T")	14,175,015	26,812,400
Purchase of Pallets	13,310,261	17,992,420
Power and Fuel	29,810,595	17,512,377





GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2007 (Contd.)

"R" OPERATING AND OTHER EXPENSES (Contd.)	2006-2007 Rs.	2005-2006 Rs.
Rent	6,044,554	525,084
Rates and Taxes	7,340,065	3,085,172
Repairs and Maintenance:		
– Building/ Yard	6,600,519	10,986,042
– Plant and Machinery	7,026,989	4,684,923
– Containers	1,344,218	2,099,272
– Others	9,987,168	3,946,596
Insurance	10,779,900	8,100,504
Directors' Sitting Fees	990,380	448,385
Customs Staff Expenses	13,144,681	12,222,615
Printing and Stationery	4,785,786	4,609,561
Travelling and Conveyance	22,714,720	15,404,175
Motor Car Expenses	5,435,129	5,316,008
Communication	6,834,207	4,795,152
Advertising Expenses	5,478,084	3,283,799
Security Charges	14,783,112	10,972,725
Professional Fees	35,378,836	13,250,795
Auditors' Remuneration:		
– As Auditors	2,000,000	1,575,000
– As advisers, or in any other capacity, in respect of - Other Services	150,000	120,000
– Reimbursement of Out-of-Pocket Expenses	10,785	41,587
Bad Debts written off	1,052,228	113,982
Advances and Deposits written off	–	212,953
Provision for Doubtful Debts (Refer Note 1(xii) - Schedule "T")	9,201,771	6,588,274
Provision for Doubtful Ground Rent	1,339,000	3,453,050
Loss on Sale/ Disposal of Fixed Assets	–	57,712
Software Expenses	1,914,025	271,110
Stamp Duty and Share Issue Expenses	134,641	2,274,466
Foreign Exchange Loss (Net) (Refer Note 1(vii) - Schedule "T")	2,160	121,200
Bank Charges	2,808,225	1,633,202
Fruits and Vegetables Project Expenses (Refer Note 12 - Schedule "T")	1,100,000	–
Selling and Distribution Expenses	432,098	–
Miscellaneous Expenses	5,580,068	4,752,914
	706,294,690	472,407,222
"S" INTEREST		
Term Loan	9,705,345	22,464,624
Vehicle Finance Loan	2,509,670	2,969,658
Others	1,455,068	–
	13,670,083	25,434,282



GATEWAY DISTRI PARKS LIMITED AND SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2007 AND THE CONSOLIDATED PROFIT AND LOSS
ACCOUNT FOR THE YEAR THEN ENDED

"T" NOTES TO THE ACCOUNTS

I. Significant Accounting Policies:

(i) Basis of Accounting:

The Consolidated Financial Statements of Gateway Distriparks Limited ("the Company") and its subsidiary companies, Gateway East India Private Limited, Gateway Distriparks (South) Private Limited, Gateway Rail Freight Limited (Formerly RAG Freight Services Private Limited), Gateway Distriparks (Kerala) Limited (Formerly Gateway Distriparks (Kerala) Private Limited) and Snowman Frozen Foods Limited (collectively referred to as "the Group") are prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the Accounting Standard 21 on Consolidation of Financial Statements, issued by the Institute of Chartered Accountants of India to the extent possible in the same format as that adopted by the Company for its separate financial statements.

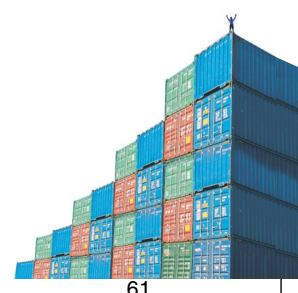
(ii) Principles of consolidation:

1. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- Intra-group balances and intra-group transactions and resulting profits are eliminated in full.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- The excess cost of the Company of its investment in the subsidiaries is recognised in the financial statements as goodwill, which is amortised over a period of 10 years on pro-rata basis on a monthly rest. The excess of the Company's portion of equity and reserves of the subsidiaries at the time of its investment is treated in the financial statements as capital reserve.
- The Company consolidates Snowman Frozen Foods Limited as it has majority of directors on the Board.

2. The subsidiary companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	% voting power as at March 31, 2007	% voting power as at March 31, 2006
Gateway East India Private Limited (GEIPL)	India	74% (Shares allotted on November 23, 2004 and on November 22, 2006)	60% (Shares allotted on November 23, 2004)
Gateway Distriparks (South) Private Limited (GDSPL)	India	100% (Shares acquired on December 1, 2004)	100% (Shares acquired on December 1, 2004)





"T" NOTES TO THE ACCOUNTS (Contd.)

Name of the Company	Country of incorporation	% voting power as at March 31, 2007	% voting power as at March 31, 2006
Gateway Rail Freight Limited (GRFL) (Formerly RAG Freight Services Private Limited)	India	92.66% (Shares allotted on November 21, 2006)	–
Gateway Distriparks (Kerala) Limited (GDKL) (Formerly Gateway Distriparks (Kerala) Private Limited)	India	60% (Shares allotted on March 5, 2007)	–
Snowman Frozen Foods Limited (SFFL)	India	48.94% (Shares allotted/ acquired on November 22, 2006)	–

(iii) Fixed Assets and Depreciation/ Amortisation:

- (a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation/ amortisation. The Group capitalises all costs relating to the acquisition, installation and construction of fixed assets, including interest on borrowed funds used to finance the construction and acquisition of fixed assets, up to the date when the assets are ready for commercial use.
- (b) Depreciation on additions/ deletions to fixed assets is calculated on pro-rata basis from the month of such additions/ deletions. The Group provides depreciation on straight-line basis method at the rates specified under Schedule XIV (revised) to the Act or based on useful life whichever is higher, except for:
 - Leasehold land, which is being amortised over the lease period;
 - Building, which is being amortised over a period of 24 years;
 - Rail Siding, which is being amortised over a period of twenty years based on useful life estimated by the Management;
 - Reach Stackers (included in Yard Equipments), to be transferred to maintenance operator, are being depreciated over a period of seven years; and
 - Computer Software, having an enduring benefit is being depreciated over three years based on evaluation of useful life by the Management.
- (c) Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition/ construction.
- (d) The Company assesses at the each Balance Sheet date whether there is any indication that an asset including intangibles may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account.

(iv) Incidental Expenditure Pending Capitalisation:

Incidental and Pre-operative Expenditure Pending Capitalisation/ Allocation represent expenses incurred prior to commencement of Container Freight Station (CFS) at Punjab State Container and Warehousing Corporation Limited at Nhava Sheva under Operations and Management Agreement and Container Rail Operations of Gateway Rail Freight Limited. The expenses of CFS will be allocated to the cost of the fixed assets on commencement of operations at CFS/ Container Rail Operations.



"T" NOTES TO THE ACCOUNTS (Contd.)

(v) Investments:

Current Investments are stated at the lower of cost and fair value.

(vi) Borrowing Cost:

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

(vii) Foreign Currency Transactions:

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction date. Realised gains and losses on settlement of foreign currency transactions are recognised in the Consolidated Profit and Loss Account, except as stated below. Foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates, and the resultant exchange difference is recognised in the Profit and Loss Account except for the following:

- (a) Exchange difference arising on repayment/ restatement of liabilities incurred prior to April 1, 2004 for the purposes of acquiring fixed assets, is adjusted in the carrying amount of the respective fixed assets.
- (b) Exchange difference arising on repayment/ restatement of liabilities incurred on or after April 1, 2004 for the purpose of acquiring fixed assets from a country outside India, is adjusted in the carrying amount of the respective fixed assets.

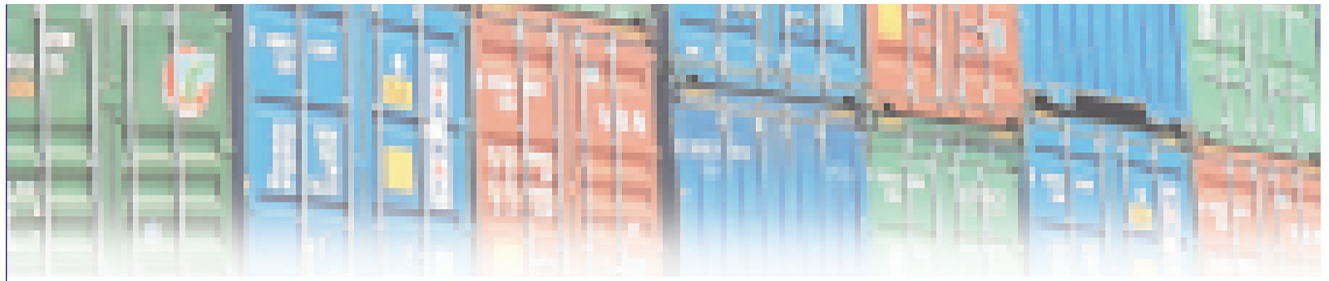
The amounts so adjusted are depreciated over the remaining useful life of the respective fixed assets.

(viii) Retirement Benefits:

- (a) The Group has created "Employees Group Gratuity Fund" which has taken a Comprehensive Gratuity Policy - cum - Group Term Life Insurance Policy from Tata AIG Life Insurance Company Limited (Tata AIG). Gratuity is provided on the basis of premium paid on the above policy as intimated by Tata AIG. The adequacy of accumulated fund balance available with Tata AIG has been compared with actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.
- (b) The Group provides Leave encashment entitlements in accordance with policies of the Group and actuarial valuation is carried out by an independent actuary as at the Balance Sheet date.

(ix) Revenue Recognition:

- (a) Income from Container Handling and Repair and Service Charges is recognised on delivery of the container/ cargo. Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station/ Inland Container Depot. However, in case of long standing containers, the Income from Ground Rent is not accrued for a period beyond 60 days on a consistent basis as per the prevailing business practice.
- (b) Income from Transportation, Storage and Handling activities are accrued on completion of the service. Sales revenue from export is recognised on transfer of significant risks and rewards of ownership that generally coincides with delivery of goods. Income from commission on consignment sales are recognised on the completion of consignment sales.
- (c) Income from auction sales is generated when the Group auctions long-standing cargo that has not been cleared by customs. Revenue and expenses for Auction Sales are recognised when auction is completed after necessary approvals from appropriate authorities are obtained. 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 'Current Liabilities and Provisions'. Unclaimed Auction Surplus, if any, in excess of one year is written back as 'Income' in the following financial year.



"T" NOTES TO THE ACCOUNTS (Contd.)

(x) Deferred Taxation:

Deferred Tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are not recognised unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Deferred Tax Asset is not recognised on timing differences, which would arise and expected to be reversed during the period of tax holiday.

(xi) Employees' Stock Option Scheme:

Stock Options granted to the employees under stock option schemes are evaluated as per the accounting treatment prescribed by Employees Stock Option Scheme and Employee Stock Purchase Scheme Guidelines 1999 issued by the Securities and Exchange Board of India. Accordingly, the excess of the fair value of the stock option as on the date of grant of options is charged to the Profit and Loss Account on straight-line-method over the vesting period of the options. The fair value of the options is measured on the basis of an independent valuation performed or the market price in respect of stock options granted.

(xii) Provision for doubtful debts

The provision for doubtful debts reflects the Management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries.

(xiii) Preliminary Expenses

Miscellaneous Expenditure incurred till commencement of Rail Logistic operations will be written-off over a period of five years from the start of operations.

2. Contingent Liabilities:

Particulars	(Rs.)	
	2006-2007	2005-2006
Bank Guarantees and Continuity Bonds executed in favour of The President of India through the Commissioners of Customs and in favour of Sales Tax Authorities.	3,069,997,640	2,705,767,200
Bank Guarantee issued by Bank in favour of Punjab State Container and Warehousing Corporation Limited in respect Operations and Management Contract of their CFS at Dronagiri Node, Nhava Sheva.	50,000,000	-
Counter indemnity for guarantees issued by bank for loans taken by Subsidiary Companies.	75,100,000	75,000,000
Claims not acknowledged as debt	3,018,940	1,700,000
Total	3,198,116,580	2,782,467,200

3. Capital Commitments:

Estimated amount of contracts (net of advances of Rs. 622,980,306; Previous year Rs. 61,693,511) remaining to be executed on capital account and not provided for is Rs. 74,405,903; (Previous year Rs. 78,586,713).



"T" NOTES TO THE ACCOUNTS (Contd.)

4. Employee Stock Option Plan:

a) Employee Stock Option Plan, 2001 (ESOP)

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on August 28, 2001, the Company had introduced ESOP for its employees.

The Board of Directors in its meeting held on April 24, 2004 granted share warrants entitling options for 167,500 Equity Shares to the eligible employees of the Company at an exercise price of Rs. 22.50 per share (at a premium of Rs. 12.50 per share). The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares after a Minimum Exercise Period of 2 years from May 1, 2004 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 18,500 equity shares (Previous year 18,500) have lapsed on termination of employment of employees. The Company has allotted 144,000 and 1,000 equity shares on May 3, 2006 and on November 22, 2006, respectively, to employees under the Employee Stock Option Plan, 2001. The options for 4,000 (Previous year 149,000) equity shares at Rs. 22.50 per equity share were outstanding as on March 31, 2007. The rights under the options would be exercisable between May 1, 2006 and May 1, 2009 at a price of Rs. 22.50 per share (at premium of Rs. 12.50 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India ("SEBI") has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 ('SEBI guidelines'), which are applicable to stock option scheme for employees of all listed companies. On listing of its shares on March 31, 2005, the Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, the excess of Fair Value (calculated as per erstwhile Capital Issues (Controls) Act, 1947 Guidelines and duly certified by an independent Accountant) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is being recognised in the Books of Account and amortised over the vesting period.

b) Employee Stock Option Plan, 2005 - I

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on September 14, 2005, the Company had introduced new ESOP scheme for its directors and employees.

The Employee Stock Option Committee formed for the implementation of the plan, at its meeting held on September 15, 2005, granted share warrants entitling options for 240,000 Equity Shares to the eligible employees of the Company at Rs. 163.64 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from September 16, 2005 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 111,000 equity shares (Previous year 13,500) have lapsed on termination of employment of employees. The Company has allotted 18,800 Equity Shares on January 31, 2007 to employees under Employees Stock Option Plan, 2005. The options for 110,200 equity shares (Previous year 226,500) equity shares at an exercise price of Rs. 163.64 per equity share were outstanding as on March 31, 2007. The rights under the options would be exercisable on graded basis between September 16, 2006 and April 1, 2008 at a price of Rs. 163.64 per share (at premium of Rs. 153.64 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India ("SEBI") has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 ('SEBI guidelines'), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, the excess of Fair Value (Closing Market Price on National Stock Exchange as on September 14, 2005) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is being recognised in the Books of Account and amortised over the vesting period.



"T" NOTES TO THE ACCOUNTS (Contd.)

c) Employee Stock Option Plan, 2005 - II

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on September 14, 2005, the Company had introduced new ESOP scheme for its directors and employees.

The Employee Stock Option Committee at its meeting held on July 20, 2006, granted share warrants entitling options for 311,750 Equity Shares to the eligible employees of the Company and its Subsidiary Companies at an exercise price of Rs. 136.56 per share of face value Rs. 10 per share. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares on graded basis after a Minimum Exercise Period of 1 year from July 21, 2006 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 27,000 equity shares have lapsed on termination of employment of employees and the options for 284,750 equity shares at Rs. 136.56 per equity share were outstanding as on March 31, 2007. The rights under the options would be exercisable on graded basis between July 21, 2007 and April 1, 2009 at a price of Rs. 136.56 per share (at premium of Rs. 126.56 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

The Securities and Exchange Board of India ("SEBI") has issued the Employees Stock Option and Stock Purchase Guidelines, 1999 ("SEBI guidelines"), which are applicable to stock option scheme for employees of all listed companies. The Company has followed these guidelines for accounting of ESOPs costs. In accordance with these guidelines, the excess of Fair Value (Closing Market Price on National Stock Exchange as on July 19, 2006) of the underlying equity shares on the date of the grant of stock options over the exercise price of the options is being recognised in the Books of Account and amortised over the vesting period.

5. Based on an opinions obtained from lawyer and tax consultant, the Management has taken a view that provisions of Section 80-IA (4)(i) of the Income Tax Act, 1961, of India ("the Income Tax Act") have been fulfilled and the Company is eligible for tax holiday under the Income Tax Act in respect of the Container Freight Station activities.

Consequently, the income-tax liability for the current financial year has been determined under "Minimum Alternate Tax" pursuant to Section 115JB of the Income Tax Act.

6. Segment Reporting

Primary Segment:

In accordance with Accounting Standard 17 - "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Group has determined its business segment as "Container Freight Station" and "Container Rail Logistics" from April 1, 2006.

Information about Primary Business Segments for 2006-2007:

(Rs.)

Particulars	Container Freight Station	Container Rail Logistics	Other Operating Segments	Total
Revenues				
External	1,561,673,532 (1,400,917,073)	- (-)	85,538,840 (-)	1,647,212,372 (1,400,917,073)
Inter-Segment	3,000,000 (-)	- (-)	- (-)	3,000,000 (-)
Total Revenues	1,558,673,532 (1,400,917,073)	- (-)	85,538,840 (-)	1,644,212,372 (1,400,917,073)



"T" NOTES TO THE ACCOUNTS (Contd.)

Particulars				(Rs.)
	Container Freight Station	Container Rail Logistics	Other Operating Segments	Total
Result				
Segment result	757,846,785 (754,912,885)	- (-)	(16,520,136) (-)	741,326,649 (754,912,885)
Unallocated expenditure net of unallocated income				33,173,380 (9,248,385)
Less: Interest expense				13,670,083 (25,434,282)
Add : Interest income				173,867,188 (75,032,774)
Add : Profit on sale of investments (Net)				41,199,002 (19,792,805)
Profit before taxation				909,549,376 (815,055,797)
Provision for taxation				138,763,591 (93,357,962)
Profit after taxation				770,785,785 (721,697,835)
Minority Interest (Loss)				7,448,633 (1,050,335)
Net Profit				778,234,418 (722,148,170)
Other information				
Segment Assets	2,864,643,522 (2,826,874,577)	1,610,182,955 (-)	447,354,386 (-)	4,922,180,863 (2,826,874,577)
Unallocated Corporate Assets				2,200,208,425 (3,645,442,695)
Total Assets	2,864,643,522 (2,826,874,577)	1,610,182,955 (-)	447,354,386 (-)	7,122,389,288 (6,472,317,272)
Segment Liabilities	166,117,196 (104,628,828)	- (-)	47,053,390 (-)	213,170,586 (104,628,828)
Unallocated Corporate Liabilities				721,459,802 (615,965,652)
Total Liabilities	166,117,196 (104,628,828)	- (-)	47,053,390 (-)	934,630,388 (720,594,480)
Capital Expenditure	690,538,107 (448,902,587)	1,481,424,775 (-)	343,471,285 (-)	2,515,434,167 (448,902,587)
Unallocated Capital Expenditure				134,496,361 (136,081,042)
Total Capital Expenditure	690,538,107 (448,902,587)	1,481,424,775 (-)	343,471,285 (-)	2,649,930,528 (584,983,629)

Figures in bracket pertain to the previous year.





"T" NOTES TO THE ACCOUNTS (Contd.)

Secondary Segment:

There is no secondary reportable segment relating to the Group's business.

7. Disclosure of Related Party transactions

Related Party Disclosures, as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below:

Key Management Personnel: Mr. Prem Kishan Gupta, Deputy Chairman and Managing Director

	(Rs.)	
Key Management Personnel	2006-2007	2005-2006
Commission to Mr. Prem Kishan Gupta, Deputy Chairman and Managing Director	2,500,000	2,400,000

8. Directors' Remuneration:

	(Rs.)	
Particulars	2006-2007	2005-2006
Commission to Deputy Chairman and Managing Director	2,500,000	2,400,000
Commission to Non Whole- time Directors	8,500,000	6,400,000
Directors' Sitting Fees	990,380	448,385
Total	11,990,380	9,248,385

9. Computation of Earnings Per Share (Basic and Diluted)

The number of shares used in computing Basic Earnings per share (EPS) is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which would be issued on exercise of options under the Employees Stock Option Plan 2001 and Employees Stock Option Plan 2005.

Particulars	2006-2007	2005-2006
I. Profit Computation for both Basic and Diluted Earnings Per Share of Rs. 10 each		
Net Profit as per the Profit and Loss Account available for Equity Shareholders (in Rupees)	778,234,418	722,748,170
II. Weighted average number of Equity Shares for Earnings per Share computation		
For Basic Earnings Per Share	92,338,122	80,147,354
Add : Weighted average outstanding employee stock options deemed to be issued for no consideration	126,540	154,552
No. of Shares for Diluted Earnings Per Share	92,464,662	80,301,906
III. Earnings Per Shares in Rupees (Weighted Average)		
Basic	8.43	9.02
Diluted	8.42	9.00



"T" NOTES TO THE ACCOUNTS (Contd.)

10. With effect from April 1, 2006, the Group has revised the estimate of useful life of Rail Siding from 5 years to 20 years. Consequently, the Group has provided depreciation on Rail Siding aggregating Rs. 3,429,031 for the year ended March 31, 2007 to Profit and Loss Account. Had the previous basis of depreciation been followed, depreciation for the year ended March 31, 2007 would have been higher by Rs. 11,143,673 and Profit before Taxation and Net Book Value of Fixed Assets would have been lower by an equivalent amount.
11. On January 12, 2007, Punjab State Container and Warehousing Corporation Limited ("Punjab Conware") has entered into an agreement with the Company to operate and manage Punjab Conware's Container Freight Station (CFS) at Dronagiri Node, Nhava Sheva, Navi Mumbai. The agreement is for a period of 15 years effective February 1, 2007. Pursuant to the Agreement, the Company has paid one time upfront fees of Rs. 350,000,000 to Punjab Conware. Further, Annual fees of Rs. 100,000,000 is payable to Punjab Conware, to be escalated annually at the Wholesale Price Index of April 1, every year, of which the Company has paid first installment aggregating Rs. 16,700,000. The facility at Punjab Conware CFS requires overall upgradation to improve pavement of yard area, drainage systems, Electronic Data Interchange network and the condition of warehouse. The Company has commenced work for revitalisation and renovation of the CFS. Pending completion of work, the Company has accounted one time upfront fees of Rs. 350,000,000 under Capital Work-in-Progress and the instalment fees and other expenses incurred at Punjab Conware CFS aggregating Rs. 14,101,557 (net of Income from Container Handling Rs. 19,877,385) as Pre-operative expenses pending capitalisation/ allocation. The aforesaid expenses would be capitalised along with revitalisation and renovation expenditure in the year 2007-2008.
12. The subsidiary company – Snowman Frozen Foods Limited has entered into a memorandum of understanding with ITC Limited and Thermo King Private Limited to pool in their respective expertise and resources to operate a pilot project over a period of 18 months for a Fruits and Vegetables supply chain. Profits or Losses will be shared in the ratio of 50:25:25 between ITC Limited, Thermo King and the subsidiary company with maximum loss of Thermo King and the subsidiary company capped at Rs. 1,320,000, respectively, for the entire period of the project. The Company has recognised losses to the extent of Rs. 1,100,000 in respect of share of its losses in the project. Assets employed in the project are also commonly used for other business operations and hence cannot be specifically identified.
13. Gateway Rail Freight Limited (GRFL), subsidiary of the Company has entered into an agreement with Container Corporation of India Limited to form a Joint Venture Company (JV), which will operate the Company's Inland Container Depot at Garhi Harsaru. Pending formation of the JV, the Company has transferred the operations including receivables and payables under an Operations and Management arrangement to GRFL with effect from April 1, 2007.
14. Previous year's figures have been rearranged to conform with current year's presentation, where applicable.

Signatures to Schedules "A" to "T" forming part of the Accounts.

Partha Ghosh
Partner
Membership No. F-55913

For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Mumbai
Date: June 21, 2007

For and on behalf of the Board of Directors

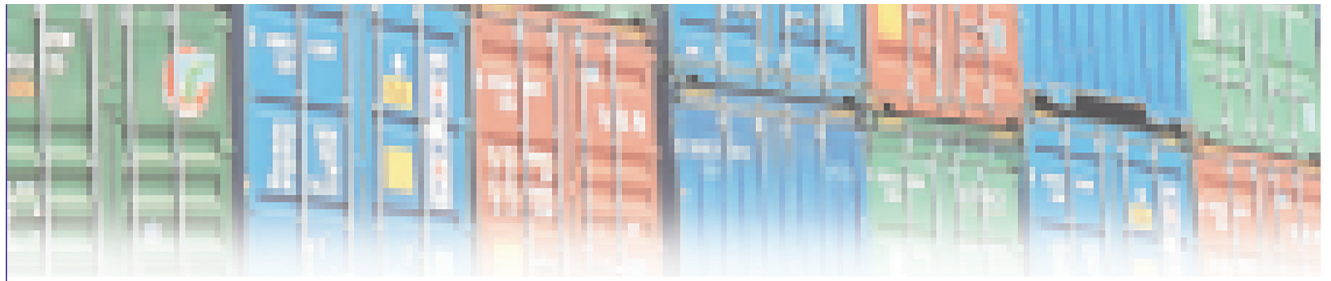
Gopinath Pillai
Chairman

Shabbir Hassanbhai
Director

Place : Mumbai
Date: June 21, 2007

Prem Kishan Gupta
Deputy Chairman and
Managing Director

R. Kumar
Chief Finance Officer and
Company Secretary



INFORMATION RELATED TO SUBSIDIARY COMPANIES

[As per exemption letter dated 22 March, 2007 from the Government of India, Ministry of Company Affairs, under Section 212(8) of the Companies Act, 1956]

S. No.		Gateway East India Private Limited	Gateway Distriparks (South) Private Limited	Gateway Rail Freight Limited	Gateway Distriparks (Kerala) Limited	Snowman Frozen Foods Limited
1	Paid-up Share Capital	22,500,000	9,900,000	1,090,000,000	500,000	823,370,000
2	Share Application Money	19,571,562	-	-	169,110,000	-
3	Reserves & Surplus	17,500,000	28,180,290	5,112	-	57,720,000
4	Debit Balance in Profit and Loss Account	13,479,220	-	-	-	202,584,626
5	Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	8,400	181,417	-
6	Total Assets	107,170,480	198,838,137	1,621,269,266	170,121,105	732,728,492
7	Total Liabilities	61,078,138	160,757,847	531,272,554	692,522	54,245,118
8	Investments	-	-	-	-	22,000
9	Turnover	32,956,279	146,296,412	-	-	274,348,185
10	Profit before taxation (Profit / (Loss))	(9,851,186)	51,550,178	-	-	(46,486,265)
11	Provision for taxation	38,219	16,156,346	-	-	1,187,055
12	Profit after taxation (Profit / (Loss))	(9,889,405)	35,393,832	-	-	(47,673,320)
13	Proposed Dividend	-	-	-	-	-

For and on behalf of the Board of Directors

Gopinath Pillai
Chairman

Prem Kishan Gupta
Deputy Chairman and
Managing Director

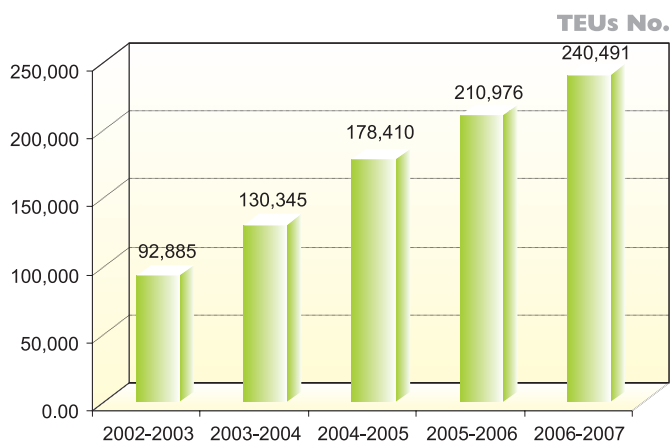
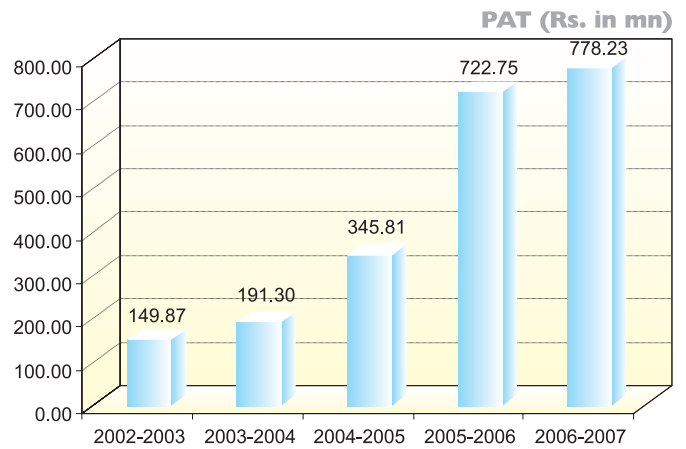
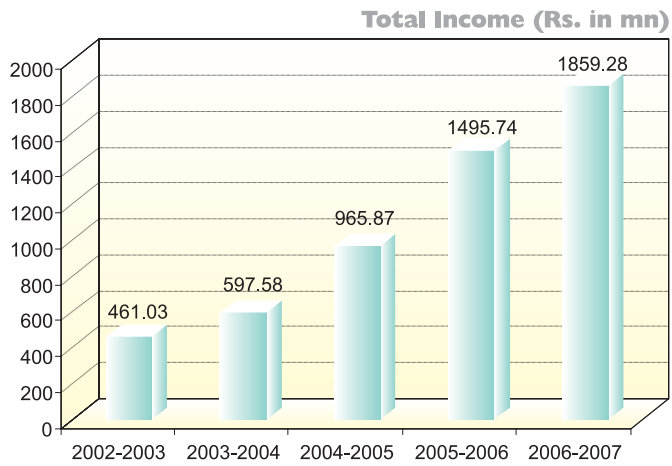
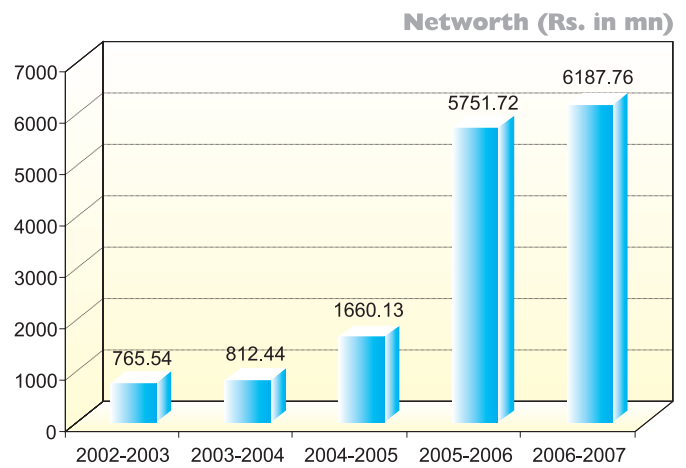
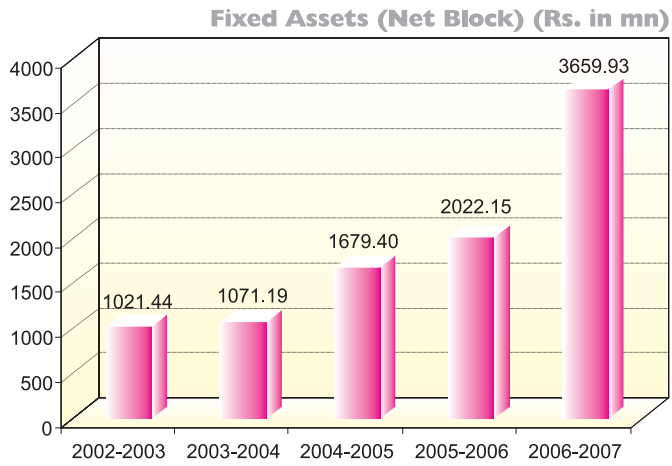
Shabbir Hassanbhai
Director

R. Kumar
Chief Finance Officer and
Company Secretary

Place : Mumbai
Date: June 21, 2007



CONSOLIDATED RESULTS AT A GLANCE





Gateway Distriparks Ltd.
Sector 6, Dronagiri,
Taluka Uran, District Raigad,
Navi Mumbai- 400 707.