BOARD'S REPORT

To,

The Members,

Your Directors have the pleasure of presenting their 16th Annual Report on the business and operations of the Company together with Audited Financial Statements for the Financial Year ended March 31, 2021.

(1) Financial highlights/performance of the Company:

Particulars	FY 2020-21 (in Rs. Crore)	FY 2019-20 (in Rs. Crore)
Total Income	823.25	879.72
Profit Before Finance Charges and Depreciation after OCI	221.87	187.71
Finance Charges	23.05	23.33
Depreciation	79.44	77.63
Profit/(Loss) for the year after OCI	119.38	86.75
Income Tax	1.28	-4.59
Total Comprehensive Income for the year	118.10	91.35
Accumulated Profit / (Loss) – Opening Balance	88.79	53.69
Balance Carried over to Balance Sheet	86.22	88.79

The previous year figures are reinstated where ever necessary.

State of Company's Affairs

Your Company has emerged as India's largest private sector intermodal rail service provider. Your Company provides container logistics solutions to shipping lines between major Indian ports and the Company's Inland Container Depots (ICD) by providing rail transportation service for Export, Import cargo carried in containers and containerised domestic cargo. The Company also facilitates customs clearance facility at its Inland Container Depots (ICD). It offers container and cargo handling as well as storage solutions to its customers along with last mile road transportation service. It also specialises in transportation service for refrigerated container (reefers) apart from other value added services.

Your Company operates from its four own Inland Container Depots (ICD) at Gurgaon, Ludhiana, Faridabad and Viramgam. It also operates a container terminal at Kalamboli at Navi Mumbai. It owns and operates 31 train-sets (21 owned + 10 on long term lease) and a fleet of 338 owned road-trailers for providing these services to its customers. The Company has adequate infrastructures at ICDs to handle import and export consignment.

There is no change in the nature of business of your company during the year.

Operational Performance

During the year, your Company has achieved throughput of 2,48,504 TEUs in FY 2020-21 as against the 2,86,162 TEUs in FY 2019-20 with a decline of 13% primarily due to COVID impact during the first and the second quarter of the year. The laden container throughput during the year stood at 2,25,300 TEUs as against the 2,53,321 TEUs in the financial year 2019-20 showing a decline of 11% and empty container throughput was 23204 TEUs against 32,841 TEUS in the financial year 2019-20 indicating a decline of 29%.

Your Company understands the importance of infrastructure in intermodal logistics business and is committed to developing a network of rail linked container terminals at various strategic locations throughout the country. Your Company strives to provide integrated intermodal solution to its customers through use of world class infrastructure, use of appropriate technology and reliable service.

Financial Highlights

During the financial year 2020-21, your Company has accounted revenue of Rs 823.25 Cr (Rs 879.71 Cr in FY 2019-20 - a decrease of 6.42%) while the Earnings before Interest, Taxes and Depreciation & Amortization (EBIDTA) stood at Rs 221.87 Cr (26.95% of revenue) vis-à-vis Rs 187.71 Cr (21.33% of revenue) during the last year showing an increase of 18%.

Over the last 7 years, revenue of the company has shown CAGR of 4.81% while EBIDTA has shown CAGR of 2.79%.

Material changes and commitments affecting financial position between the end of the financial year and date of the report

There have been no material changes and commitments that have occurred between the end of the financial year of the Company to which the financial statements relates and the date of this report which affects the financial position of the Company.

(2) Consolidated Accounts

The Consolidated Financial Statements of your Company for the financial year 2020-21, are prepared in compliance with applicable provisions of the Companies Act, 2013 and applicable Accounting Standards. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiary/joint venture company, as approved by its Board of Directors.

(3) Details of Subsidiary/Joint Ventures/Associate Companies and Highlights of their Performance and their contribution to the overall performance of the company

The Company has 51% equity shareholding in Container Gateway Limited ('CGL') which is a joint venture between your Company and Container Corporation of India Limited (CONCOR). CGL has not started business since incorporation due to dispute between the Company & CONCOR.

An arbitration proceeding on the matter of dispute between CONCOR and your Company with respect to Joint Venture agreement is underway since 2008.

Further, there is no associate company as per Section 2(6) of the Companies Act, 2013 and there are no companies which have become or ceased to be the associate company during the year.

Further, Form AOC – 1 containing the salient features of Financial Statement of the Subsidiary Company/ Joint Venture Company is attached as 'Annexure A'.

(4) Dividend & Transfer to Reserve

Dividend Details:

First Interim Dividend for the Financial Year 20-21

The Board of Directors of your Company through resolution by circulation on 12th June, 2020 has declared and paid the Interim Dividend as per the following details:

a. the interim dividend of Rs. 0.63 per equity share of the face value of Rs. 10 each (@6.3%) aggregating to Rs. 12.69 crore.

b. the interim dividend of Rs. 1.58 per equity share of the face value of Rs. 25 each (@6.63%) aggregating to Rs. 158.

c. the interim dividend @ 0.0001% of the face value of Rs. 24.65 each per Compulsorily Convertible Preference Shares (CCPS) aggregating to Rs. 2958

d. the interim dividend of Rs. 1.05 per Compulsorily Convertible Preference Shares (CCPS) of the face value of Rs. 24.65 each (@ 4.25%) aggregating to Rs. 12.64 crore.

Second Interim Dividend for the Financial Year 20-21

The Board of Directors of your Company through resolution by Circulation on 26th September, 2020 has declared and paid the Second Interim Dividend as per the following details:

a. the interim dividend of Rs. 0.44 per equity share of the face value of Rs. 10 each (@4.4%) aggregating to Rs. 8.87 crore.

b. the interim dividend of Rs. 1.10 per equity share of the face value of Rs. 25 each (@4.4%) aggregating to Rs. 110.

c. the interim dividend @ 0.0001% of the face value of Rs. 24.65 each per Compulsorily Convertible Preference Shares (CCPS) aggregating to Rs. 2958

d. the interim dividend of Rs. 0.736 per Compulsorily Convertible Preference Shares (CCPS) of the face value of Rs. 24.65 each (@ 2.92%) aggregating to Rs. 8.83 crore.

Third Interim Dividend for the Financial Year 20-21

The Board of Directors of your Company in their meeting held on 28th December, 2020 has declared and paid the Third Interim Dividend as per the following details:

e. the interim dividend of Rs. 0.43 per equity share of the face value of Rs. 10 each (@4.3%) aggregating to Rs. 8.66 crore.

f. the Interim dividend of Rs. 1.08 per equity share of the face value of Rs. 25 each (@4.3%) aggregating to Rs. 108.

g. the interim dividend @ 0.0001% of the face value of Rs. 24.65 each per Compulsorily Convertible Preference Shares (CCPS) aggregating to Rs. 2958

h. the interim dividend of Rs. 0.719 per Compulsorily Convertible Preference Shares (CCPS) of the face value of Rs. 24.65 each (@ 2.98%) aggregating to Rs. 8.63 crore.

Transfer to Reserves

No amount is transferred to reserves during the year under review.

(5) Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

During the year under review, the Company has not made any loans, guarantees or investments under Section 186 of the Companies Act, 2013.

However, pursuant to section 185 of the Companies, 2013, during the financial year the Company has granted a loan amounting to Rs. 25 crores to Gateway Distriparks Ltd (Holding Company) and has given security to secure the borrowing of Rs. 156 crores availed by Gateway Distriparks Ltd (Holding Company).

(6) Internal Control system and their adequacy:

The Company makes use of IT enabled software in its operations, accounts 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 Company.

The internal audit is entrusted to M/s. S.P Chopra & Co., Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business practices. During the year, no reportable weakness in the operations and accounting were observed and your Company has adequate internal financial controls with reference to its Financial Statements.

(7) Particulars of contracts or arrangements or transaction with related parties:

Your Company has not entered into any contracts or arrangements with related parties which are not at arm's length basis.

Further, there has been no material contract or arrangement or transaction with related parties at arm's length basis. Accordingly the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 read with rules made there under, in form AOC-2, is not applicable.

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

The details of related party disclosures form part of the notes to the financial statements.

(8) Risk management policy

Your Board of Directors has put in place a Risk Management Policy of the Company, which includes Business Environment, Market and Competition risk, Future Capacity Extension risk, Technology risk, IT risk, Interest Rate risk, Commercial risk, Project execution and Capital allocation risk and

Regulatory, Taxation and Legal risk also includes periodic review of such risk, reporting mechanism and mitigating controls and of all risks and their minimization procedures. The risk management policy also covers Terrorism risks. There are no specific risks, which in the opinion of the Board threatens the very existence of your Company.

(9) Auditors

At the 12th Annual General Meeting held on 26th June, 2017, M/s. S.R. Batliboi & Co LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2022.

(10) Auditors' Report

The Auditor has not made any adverse remarks, reservation, disclaimer or qualification in the Auditors' Report and general remarks are in the nature of facts.

The Auditors' Report and notes on accounts referred to in Auditors Report are self-explanatory and, therefore, do not call for any further explanation.

(11) Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s SGS Associates, Company Secretaries in practice to conduct the Secretarial Audit of your Company for the Financial Year 2020-21.

The Secretarial Audit Report is annexed herewith as "**Annexure – E**" to this Report.

The Secretarial Audit Report does not contain any adverse remarks, reservation, disclaimer or qualification.

(12) Secretarial Auditor

As required under section 204 of the Companies Act, 2013 the Company M/s SGS & Associates, Practicing Company Secretary, are the Secretarial Auditor of the Company for the Financial Year 2020-21.

(13) Frauds Reported by Auditors, which are committed against the company by officers or employees of the company other than those which are reportable to the Central government

There are no frauds reported by the Auditor which are committed against the Company by any officer or employee of the Company.

(14) Directors:

Remuneration from Gateway Distriparks Ltd (Holding Company)

During the year under review, Gateway Distriparks Limited has paid Rs. 500 lakh as Commission & Rs. 11 lakh as sitting fees to Mr. Prem Kishan Dass Gupta, Chairman and Managing Director and 16 lakh as Commission & Rs. 11 lakh as sitting fees to Mr. Samvid Gupta, Joint Managing Director Rs. 27 Lakhs.

Resignation

During the year under review no Director has resigned from the Board of the Company.

Appointment

In terms of provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Anil Aggarwal (Din: 01385684) has been appointed as Additional Director under the category of Independent Director in the Board Meeting held on 18th April, 2020 and his appointment has been confirmed by the Shareholders in the 15^{th} Annual General Meeting of the Company held on 23^{rd} September, 2020.

The Board of Directors in its meeting held on 5^{th} June, 2020, recommended the re-appointment of Mr. Arun Kumar Gupta (Din:06571270) as Independent Director for a second term of five consecutive years commencing from 5^{th} November, 2020 upto 4^{th} November, 2025, which was confirmed by the Shareholders in the 15^{th} Annual General Meeting of the Company held on 23^{rd} September, 2020.

Retiring by Rotation and Re-appointment of Director

During the year under review, the members at the 15^{th} Annual General Meeting of the Company has approved the re-appointment of Mrs. Mamta Gupta, Director of the company.

Further, Mr. Sachin Surendra Bhanushali (Din: 01479918) shall retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of your Company and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

Key Managerial Personnel

During the year under review Mr. Sachin Surendra Bhanushali has resigned from the post of CFO with effect from 28^{th} September, 2020 and Mr. Nandan Chopra has been appointed as CFO with effect from 28^{th} September, 2020

Annual Evaluation of Board's Performance

Your Company has formulated Board Evaluation Policy and evaluations are being done by the Board, and Independent Directors pursuant to applicable provisions of Companies Act, 2013.

The performance evaluation criteria of Individual Directors and Committees include awareness to responsibilities, duties as director, attendance record and intensity of participation at meetings, quality of interventions, special contributions and inter-personal relationships with other Directors and management. The Independent Directors evaluated the performance of the Board, Committees of Board, Non-Independent Directors & the Chairman in their exclusive meeting held on 18^{th} January, 2021. The Board evaluated the performance of Independent Directors based on their attendance record, contributions, their interventions and inter-personal relationships during the Board Meeting held on 18^{th} January, 2021.

The performance evaluation of Committees and Board as a whole was done on the basis of questionnaire which was circulated among the board members and committee members and on receiving the inputs from them, their performance was assessed by the board during the Board Meeting held on 18^{th} January, 2021

The performance evaluation of individual directors was done on the basis of self-evaluation forms which were circulated among the directors and on receiving the duly filled forms, their performance was assessed by the Board of Directors.

Declaration of Independence by an Independent Director(s) under sub-section (6) of section 149

Your Company has received declarations from the Independent Directors confirming that they meet the criteria of Independence as prescribed under the provisions of Companies Act, 2013 read with Rules and Schedules made thereunder.

(15) Extract of the Annual Return and Website link of Annual Return.

The details forming part of the extract of the Annual Return in Form MGT – 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "**Annexure B**" to this Report.

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at https://gatewayrail.in/annualreport.php

(16) Number of meetings of the Board of Directors

The Board met at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company.

During the financial year 2020-21, the Board of Directors met eight times i.e. on 18th April, 2020, 5th June, 2020, 29th July, 2020, 22nd August, 2020, 28th September, 2020, 28th October, 2020,28th December, 2020 and 18th January, 2021 .The interval between two meetings was within the timelines prescribed under the Companies Act, 2013.

The number of Board meetings attended by each Director is as follows:-

S. No	Name	Designation	Number of Meetings attended
1	Mr. Prem Kishan Dass Gupta	Chairman and Managing Director	8 out of 8
2	Mr. Samvid Gupta	Joint Managing Director	8 out of 8
3	Mr. Sachin Surendra Bhanushali	Director & CEO	7 out of 8
4	Mrs. Mamta Gupta	Director	8 out of 8
5	Mr. Ishaan Gupta	Director	8 out of 8
6	Mr. Anil Aggarwal	Director	8 out of 8
7	Mr. Arun Kumar Gupta	Director	8 out of 8

(17) Audit Committee

Your Company in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, has constituted the Audit Committee.

The Audit Committee of the Board comprises of three members and majority of them are Independent Directors. All the members of committee are well versed in finance, accounts and general business practice.

The Audit Committee comprises of the following Directors:

S. No.	Name of Member	Designation
1	Mr. Anil Aggarwal	Chairman & Independent Director
2	Mr. Arun Kumar Gupta	Member & Independent Director
3	Mr. Samvid Gupta	Member

During the financial year 2020-21, the Audit Committee met 7 times i.e. on 18th April, 2020, 5th June, 2020, 29th July, 2020, 22nd August, 2020, 28th September, 2020, 28th October, 2020, and 18th January, 2021. The details of the meeting attended by each committee member are as follows:

S. No.	Name of the Member	Meeting attended during the financial year 2020-21
1	Mr. Anil Aggarwal	7 out of 7
2	Mr. Arun Kumar Gupta	7 out of 7
3	Mr. Samvid Gupta	7 out of 7

(18) Nomination and Remuneration Committee

Your Company has in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, constituted the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of the Board comprises of three Non-Executive Directors and Chairperson of the Company and half of the members of the Committee are Independent Directors.

The Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 18th January, 2021 has amended the Nomination and Remuneration Policy of the Company.

The composition of Nomination and Remuneration Committee is as follows:-

S. No.	Name of Member	Designation
1	Mr. Arun Kumar Gupta	Chairman & Independent Director
2	Mr. Anil Aggarwal	Member & Independent Director
3	Mr. Prem Kishan Dass Gupta	Member
4	Mr. Ishaan Gupta	Member

All the recommendation made by the Nomination and Remuneration Committee were accepted by the Board.

During the Financial year 2020-21, the Nomination and Remuneration Committee met four times i.e. on 18th April, 2020, 5th June, 2020, 28th September, 2020 and 18th January, 2021.The details of the meeting attended by each committee member are as follows:

S. No.	Name of the Member	Meeting attended during the financial year 2020-21
1	Mr. Arun Kumar Gupta	4 out of 4
2.	Mr. Anil Aggarwal	4 out of 4
3.	Mr. Prem Kishan Dass Gupta	4 out of 4
4.	Mr. Ishaan Gupta	4 out of 4

The Board has adopted the Nomination and Remuneration policy as per the provisions under section (3) of section 178 of the Companies Act, 2013. The same has been attached herewith as "**Annexure C**".

(19) Corporate Social Responsibility (CSR)

Pursuant to section 135 of the Companies Act, 2013 and rules made thereunder, your company had constituted a CSR Committee for carrying out the CSR Activities of the Company. Total expenditure incurred by the CSR Committee during the year ended March 31, 2021 was Rs. 206,18,919

As on 31st March, 2021 the Corporate Social Responsibility Committee comprised of the following Directors:

S. No.	Name of Member
1	Mr. Prem Kishan Dass Gupta
2	Mrs. Mamta Gupta
3	Mr. Arun Kumar Gupta

In the Financial year 2020-21, the CSR Committee met two time on 28th October, 2020, 18th January, 2021. The details of the meeting attended by each committee member are as follows:

The members of CSR Committee and the Board of Directors through resolution by circulation has modified the CSR policy of the Company to bring it in line with the amendments done in Companies Act, 2013.

S.No.	Name of the Member	Meeting attended during the financial year 2020– 2021
1	Mr. Prem Kishan Dass Gupta	2 out of 2
2.	Mrs. Mamta Gupta	2 out of 2
3.	Mr. Arun Kumar Gupta	2 out of 2

The Annual Report on CSR in terms of Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 has been enclosed as "**Annexure D**".

(20) Particular of Employees and related disclosures:

As your Company is an Unlisted Public Company, therefore details of the every employee of the Company as required in terms of the provision of section 197 (12) of the Act read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

(21) Conservation of energy, technology absorption and research & development and foreign exchange earnings and outgo

Particulars relating to energy conservation, technology absorption , foreign exchange earnings and outgo, as required to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given hereunder:

(a) Conservation of Energy:

i) Steps taken or impact on conservation of energy: Energy conservation efforts are ongoing activities. 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 ongoing basis.

ii) Steps taken by the company for utilizing alternate sources of energy: The Company is making extensive usage of LED lights to conserve electricity.

iii) The Capital investment on energy conservation equipment: N.A.

(b) Technology Absorption, Adaption & Innovation and Research & Development

The details of technology absorption as per rule 8(3) of the companies (Accounts) Rules, 2014 are as follows:

i) Efforts made towards technology absorption: - **Nil**

ii) Benefits derived like product improvement, cost reduction, product development or import substitution: **Nil**

iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)-

a) Details of technology imported: **Nil**
b) Year of Import: **Nil**
c) Whether the technology been fully absorbed: **Nil**
d) Areas where absorption has not taken place and the reasons there of: **Nil**

iv)Expenditure incurred on Research and Development: **Nil**

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

(c)Foreign Exchange earnings and outgo in foreign Exchange:

Foreign Exchange Earnings- **Nil**

Foreign Exchange Outgo:-

Particulars	2020-21 (Amount in Rs. Crore)	2019-20 (Amount in Rs. Crore)
Legal & Professional Charges	Nil	Nil
Service Charges	Nil	0.0056
Non-Solicitation Fees	Nil	Nil
Membership Fees	Nil	0.0043
Director Sitting Fees	Nil	0.05
Director Commission	Nil	0.45
Interest on Buyers Credit	Nil	0.0356
Buyers Credit repayment	Nil	4.714
Import of Capital Goods & Spare parts	0.3659	0.4713

(22) Change in Registered Office

During the year under review, subsequent to the approval of Regional Director vide order dated 30th June, 2020, the Registered Office of the Company has shifted from NCT of Delhi to the state of Maharashtra.

The present address of Registered Office of Company is: Sector-6, Dronagiri, Taluka Uran, District Raigarh, Navi Mumbai, Maharashtra - 400707

(23) Scheme of amalgamation (merger by absorption) amongst Gateway Rail Freight Limited ("Company"), Gateway Distriparks Limited ("GDL") and Gateway East India Private Limited ("GEIPL") and their respective shareholders

The Board of Directors in the meeting held on 28th September, 2020 has approved the Scheme of amalgamation (merger by absorption) amongst Gateway Rail Freight Limited ("Company"), Gateway Distriparks Limited ("GDL") and Gateway East India Private Limited ("GEIPL") and their respective shareholders

The applications with Bombay Stock Exchange and National Stock Exchange has been filed on 29th September, 2020.

The Company has received approval from Bombay Stock Exchange and National Stock Exchange vide their observation letter dated 12TH March, 2021.

The application for the Scheme of Amalgamation has been filed with NCLT Mumbai Bench.

(24) Corporate Governance – Remuneration of Director

Subsequent to the end of financial year, the Nomination and Remuneration Committees in their meetings held on 15th April, 2021 and the shareholders in their Extra Ordinary General Meeting held on 16th April, 2021 has approved to increase the remuneration of Directors in terms of provisions of schedule V of the Companies Act, 2013.

(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;

In terms of the Resolution passed by shareholders in their meeting held on 16th April, 2021,

(a)the remuneration for Executive Directors shall not exceed 10% (Ten per cent) per annum for an Individual Executive Director subject to maximum of 20%(Twenty per cent) of the net profits for all the Executive Directors taken together, calculated in accordance with section 198 and other applicable provisions of the Act, for the period of 3 years commencing from Financial Year 2020-21.

(b) the remuneration for Non - Executive Directors including Independent Directors of the Company shall not exceed 3% (Three per cent) per annum of the net profits of the Company, calculated in accordance with section 198 and other applicable provisions of the Act, for the period of 3 years commencing from Financial Year 2020-21.

(ii) details of fixed component. and performance linked incentives along with the performance criteria;- – Not Applicable

(iii) service contracts, notice period, severance fees; – Not Applicable

(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable. – Not Applicable

(25) Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed by directors that :

(a) In the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards had been followed and there are no material departures from the same;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year i.e. 31st March, 2021 and of the profit of the company for that period;

(c) The Directors had taken 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;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(26) Capital Expenditure & Infrastructure

The gross block of assets (Including Work-in-progress) has increased to Rs. 1302.48 in FY 2020-21 from Rs 1286.33 Cr. In FY 2019-20. As on March 31, 2021, the Company has 960 wagons (21 Train sets), 338 trailers, 1028 Containers, 21 Reach Stackers, 52 material handling equipment such as fork lifts & Hydra cranes and cargo at ICD for handling of containers.

(27) Human Resource:

The Company has a highly skilled and motivated team of professionally qualified and experienced personnel. There has been adequate emphasis on training and development of the human resource.

Initiatives on training and development of human resources were undertaken. The Company has 188 employees. (Previous Year 188 employees).

(28) Deposits

Your Company has not accepted any public deposits nor renewed any public deposits within the meaning of the Companies Act, 2013 during FY 2020-21.

(29) Share Capital

The Authorised Share Capital of the Company as on 31st March, 2021 is Rs. 813,50,02,500/- and Issued and Paid up Share Capital of the Company amounts to Rs. 497,30,02,500/-.

The following table shows the different class of Share Capital is as follows:

Authorized Capital (INR)	
Total Authorized Capital (in Rs)	**813,50,02,500**
Authorized Equity Capital (in Rs)	402,70,02,500
Authorized Preference Share Capital (in Rs)	410,80,00,000
Issued Capital (INR)	
Issued Equity shares (in Rs)	201,50,02,500
Issued Preference shares (in Rs)	2958,000,000
Total Issued Capital	**497,30,02,500**
Unissued Capital (INR)	
Unissued Equity Share Capital (in Rs)	201,20,00,000

(30) Cautionary Statement:

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

(31) Vigil Mechanism

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

(32) Policy for Prevention of Sexual Harassment of women at workplace

Your Company has adopted the Policy for Prevention of Sexual Harassment of women at workplace and accordingly constituted a committee for addressing of complaints of women employed by the Company. Your Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment.

During the year under review, there were no complaint received and no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(33) General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were **no transactions** on these items during the year under review:-

a) Issue of the equity shares with differential rights as to dividend, voting or otherwise.

b) Issue of shares (including sweat equity shares) to directors or employees of the Company

c) Issue of shares under Employee Stock Option Scheme to employees of the company

d) Managing Director does not receive any remuneration or commission from its Subsidiary Company

e) No significant or material orders were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.

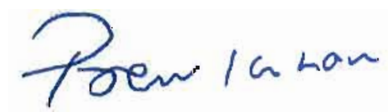
f) Purchase of or subscription for shares in the company by the employees of the company.

(34) Acknowledgements

Your Directors acknowledge with gratitude the cooperation, assistance extended by the customers, vendors, bankers, financial institutions for their support for the growth of the Company.

Your Directors also wish to place on record their appreciation for the committed and efficient services rendered by the executive staff and other employees of the company for its success.

For and on behalf of the Board of Directors



Prem Kishan Dass Gupta
(Chairman and Managing Director)
Din:00011670

Place: New Delhi
Date: 26th April, 2021

Annexure A

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Name of Subsidiary	Container Gateway Limited
The date since when the subsidiary was acquired	24th September, 2010
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2020 to March 31, 2021
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees
Share capital	Rs. 10,00,000
Reserves & surplus	Nil
Total assets	Rs. 0.087 crore
Total Liabilities	Rs. 0.087 crore
Investments	Nil
Turnover	Nil
Profit before taxation	N.A. since there was no operations
Provision for taxation	N.A. since there was no operations
Profit after taxation	N.A. since there was no operations
Proposed Dividend	N.A. since there was no operations
% of Shareholding	51%

Notes:

1. Names of subsidiaries which are yet to commence operations: Container Gateway Limited

2. Names of subsidiaries which have been liquidated or sold during the year: NA

For and on behalf of Board of Directors

Prem Kishan Dass Gupta
Chairman & MD
Din: 00011670

Sachin Surendra Bhanushali
Director & CEO
Din:01479918

Nandan Chopra
CFO &Company Secretary
Membership : F-4826

Annexure B

MGT-9

EXTRACT OF ANNUAL RETURN

as on the **financial year** ended on **31st March 2021**

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN :	U60231MH2005PLC344764
ii) Registration Date :	12th July 2005
iii) Name of the Company :	Gateway Rail Freight Limited
iv) Category / Sub Category of the Company	Public Limited Company Company limited by shares
v) Address of the Registered office and contact details :	Sector-6, Dronagiri, Taluka Uran, District Raigarh, Navi Mumbai, Maharashtra – 400707
vi) Whether listed company Yes / No :	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :	Name : Link InTime (India) Private Limited Address: C 13 Pannalal Silkmills Compound L B S Marg, Bhandup (W), Mumbai, Maharashtra-400078 Contact No. 022-49186270

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Logistics	60102	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	Gateway Distriparks Limited, Sector 6, Dronagiri, Tal: Uran, Dt: Raigad, Navi Mumbai, Maharashtra- 400707	L74899MH1994PLC164024	Holding Company	99.85	2(46)
2	Container Gateway Limited, via Patudi Road, Wazirpur morh, Near Garhi Harsaru Railway Station, Garhi Harsru, Gurgaon, Haryana-122505	U63030HR2007PLC036995	Subsidiary Company	51	2(87)

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

(a) *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	% Change during the year

	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUF	4	-	4	0	4	-	4	0	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp	201199896	Nil	201199896	99.85	201199896	Nil	201199896	99.85	0.0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub – total (A)(1)	201199900	-	201199900	99.85	201199900	Nil	201199900	99.85	0.0
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-		-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	201199900	-	201199900	99.85	201199900	Nil	201199900	99.85	0.0 .
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	Nil			0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	200	-	200	0.0	200	-	200	0.00	-

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,80,000	1,20,000	3,00,000	0.15	1,80,000	1,20,000	3,00,000	0.15	-
c) Others (specify)	0	0	0	0	0	0	0	0	Nil
Sub-total (B)(2):	1,80,200	1,20,000	3,00,200	0.15	1,80,200	1,20,000	3,00,200	0.15	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,80,200	1,20,000	3,00,200	0.15	1,80,200	1,20,000	3,00,200	0.15	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total **(A+B+C)**	201380100	120000	201500100	100	201380100	120000	201500100	100	Nil

(b) *Shareholding of Promoters*

S. No	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			
		No. of Shares	% of total Shares of the company	%of Shares company Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares company Pledged / encumbered to total shares	% Change in shareholding during the year
1	Gateway Distriparks Limited	201199896	99.85	99.85	201199896	99.85	99.85	0
2	Mr. Prem Kishan Dass Gupta with Gateway Distriparks Limited	1	0	Nil	1	0	Nil	0
3	Mr. Ishaan Gupta with Gateway Distriparks Limited	1	0	Nil	1	0	Nil	0
4	Mr. Samvid Gupta jointly with Mr. Ishaan Gupta	1	0	Nil	1	0	Nil	0
5	Mrs. Mamta Gupta	1	0	Nil	1	0	Nil	0
Total		201199900	99.85	99.85	201199900	99.85	99.85	0

(c) Change in Promoters' Shareholding :

There is no change in Promoters' Shareholding during the year under review.

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil		Nil	
	At the End of the year	Nil		Nil	

(d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Ms. Vani Bhasin**				
	At the beginning of the year	1,80,000	0.89		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL	NIL		
	At the End of the year (or on the date of separation, if separated during the year)			1,80,000	0.89
2	**Mr. Ranjiv Kumar Bhasin**				
	At the beginning of the year Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	1,20,000 NIL	0.60 NIL		
	At the End of the year (or on the date of separation, if Separated during the year)			1,20,000	0.60
3	**Mr. V. Srinivas Reddy**				

	At the beginning of the year	100	0.0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL	NIL		
	At the End of the year (or on the date of separation, if Separated during the year)			100	0.0

(e) __Shareholding of Directors and Key Managerial Personnel:__

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1	**Mr. Sachin Surendra Bhanushali**			100	0
	At the beginning of the year	100	0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity, etc	Nil	Nil		
	At the End of the year	100	0		
2	**Mr. Prem Kishan Dass Gupta with Gateway Distriparks Ltd**			1	0
	At the beginning of the year	1	0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL	NIL		
	At the End of the year	1	0		
3	**Mr. Ishaan Gupta with Gateway Distriparks Ltd**			1	0
	At the beginning of the year	1	0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	Nil	Nil		
	At the End of the year	1	0		
4	**Mr. Samvid Gupta with Mr. Ishaan Gupta**			1	0

	At the beginning of the year	1	0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	Nil	Nil		
	At the End of the year	1	0		
5	**Mrs. Mamta Gupta**			1	0
	At the beginning of the year	1	0		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	Nil	Nil		
	At the End of the year	1	0		

ii) *INDEBTEDNESS:*

Indebtedness of the Company Including Interest outstanding/accrued but not due for payment

Amount (in Rs. Crore)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total (indebitness)
Indebtedness at the beginning of the financial year				
i) Principal Amount	134.82	-	-	134.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.91	-	-	0.91
Total (i+ii+iii)	135.73	-	-	135.73
Change in Indebtedness during the financial year				
• Addition	36.04	-	-	36.04
• Reduction	18.08	-	-	18.08
Net Change	17.96	-	-	17.96
Indebtedness at the end of the financial year				
i) Principal Amount	152.78	-	-	152.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.90	-	-	0.90
Total (i+ii+iii)	153.68	-	-	153.68

iii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Amount (In Rs. Crores)
		Mr. Prem Kishan Dass Gupta – Chairman and Managing Director Din:	Mr. Samvid Gupta - Joint Managing Director Din: 05320675	Mr. Sachin Surendra Bhanushali Din:01479918	

		00011670			
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	2.52	2.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	**Stock Option**	Nil	Nil	Nil	Nil
3	**Sweat Equity**	Nil	Nil	Nil	Nil
4	**Commission - as % of profit - others, specify**	5	5	.50	10.50
5	**Others, (Sitting Fees)**	0.08	0.08	0.07	0.23
	Total (A)	**5.08**	**5.08**	**3.09**	**13.25**
	Ceiling as per the Act (10% of the net profits of the company, if there is more than one MD, or WTD or manager in the company)	**Rs. 13.32**			

B. REMUNERATION TO OTHER DIRECTORS

S. No	Particulars of Remuneration	Name of Directors		Amount (In Rs. crores)
1	Independent Directors	Mr. Anil Aggarwal	Mr. Arun Kumar Gupta	
	Din	01385684	06571270	
	Fee for attending board committee meetings	0.08	0.08	0.16
	Commission	0.30	0.30	0.60
	Others, please specify	-	-	
	Total (1)	0.38	0.38	**0.76**
2	Other Non-Executive Directors	Mrs. Mamta Gupta	Mr. Ishaan Gupta	
	Din	00160916	05298583	
	Fee for attending board committee meetings	0.08	0.08	0.16
	Commission	0.30	0.30	0.60
	Others, please specify	-	-	
3	Total (2)	0.38	0.38	**0.76**
4	Total (B)=(1+2)			**1.52**
5	Total Director's Remuneration			**14.77**
6	Overall Ceiling as per the Act	**14.65 (11% of Net Profit as caclulated u/s 198 of the Companies Act, 2013)**		

In terms of provisions of section 197(3) of the Companies Act, 2013, sitting fees paid to Directors is not included in the calculation of overall ceiling of the Directors' Remuneration. Therefore, the total sitting fees paid to Directors during the F.Y. 20-21 amounting to Rs. 0.55 crores should be excluded and total Directors' Remuneration be considered as Rs. 14.22 cr.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount In Rs. crores)

S.No	Particulars of Remuneration		
		Mr. Nandan Chopra, CFO and Company Secretary	**Total**
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.90	0.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	**Stock Option**	-	-
3	**Sweat Equity**	-	-

4	**Commission**	-	-
	- as % of profit	-	-
	others, Sitting Fees	-	-
5	**Others, please specify**	-	-
	Total	0.90	0.90

iv) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No Penalties/Punishment/Compounding of offences made during the year

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

Annexure C

Gateway Rail Freight Limited
Nomination & Remuneration Policy

Gateway Rail Freight Limited

Nomination & Remuneration Policy

Objective & Scope of the Policy

The Board of Directors of Gateway Rail Fright Limited (GRFL) has adopted this Nomination & Remuneration Policy, made in accordance with Section 178 of the Companies Act, 2013 and rule 6 of Companies (Meetings and Powers of Board) Rules, 2014 and any other applicable provision of the Companies Act, 2013, if any (the Policy) for its Directors, Key Managerial Personnel (KMP) and Senior Management on the recommendation of Nomination and Remuneration Committee of the Company. It follows the principles of maximum transparency and disclosure regarding remuneration, which the company has been applying to its public reporting documents.

Applicability of the Policy

This Nomination and Remuneration Policy applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Gateway Rail Freight Limited (the "Company").

Definition(s):

(i) "Board of Director" or "Board" means the Board of Directors of Gateway Rail Freight Limited, as constituted from time to time.

(ii) "Chief Executive Officer" or "CEO" means an officer of company who has been designated as such by it.

(iii) "Company" means the Gateway Rail Freight Limited incorporated under the provisions of Company Act 1956.

(iv) "Committee" means "Nomination and Remuneration Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of The Companies Act, 2013.

(v) "Executive" includes Executive Director, Key Managerial personals and senior management.

(vi) "Executive Director" means as defined in Companies Act 2013 read with rules made thereunder.

(vii) "Key Managerial Personnel (KMP) means— (a) Managing Director;
(b) Chief Executive Officer ; (c) Chief Financial Officer; (d) Company Secretary;

(e) Whole-Time Director, if any; and
(f) such other officer as may be prescribed by Central government;

(viii) "Policy" means Nomination and Remuneration Policy for Directors, Key Managerial Personals and Senior Management.

(ix) The term Senior Management or senior officials means all personnel of the Company who are members of its core management team excluding members of the Board of Directors, comprising all members of management one level below the Managing/Whole-Time Directors, including the functional heads.

(1) Purpose

The primary objective of the Policy is to provide a framework and set standards for the appointment and remuneration of Directors, Key Managerial Personnel and other employee comprising the senior management and to specify the manner for effective evaluation of performance of Board, its committees and individual directors. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

(2) Accountabilities

- The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

- The Board had delegated responsibility for assessing and selecting the candidates for the enrolment of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

(3) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of the following:

(a) The Committee shall consist of a minimum 3 or more non-executive directors, not less than half of them being independent.
(b) The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
(c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
(d) Membership of the Committee and Nomination and Remuneration policy shall be disclosed in the Annual Report.
(e) Term of the Committee shall be continued unless terminated by the Board of Directors.
(f) Company Secretary shall act as the Secretary of the Committee

(4) Chairman

(a) Chairman of the Committee can be any member other than Chairperson of the Company.

(b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

(5) Terms of Reference of the Nomination and Remuneration Committee

(a) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed as a KMP and in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

(b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees comprising of senior management.

(c) The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—

(i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

(d) The Nomination & Remuneration Committee shall administer and Implement ESOP scheme and shall formulate the detailed terms and conditions of the ESOP Scheme.

(6) Committee Members' Interests

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

(7) Voting

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

(8) Appointment of Directors, KMP and Senior Management

- The Committee shall identify persons who are qualified to become directors, KMP and who may be appointed in senior management in accordance with the criteria, recommend to the Board their appointment and removal.

- When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

  (i) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
  (ii) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
  (iii) The skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
  (iv) The nature of existing positions held by the appointee including directorships or other relationships and
  (v) The impact they may have on the appointee's ability to exercise independent judgment;

- Personal specifications
  (i) Degree holder in relevant disciplines;
  (ii) Experience of management in a diverse organization;
  (iii) Excellent interpersonal, communication and representational skills; (iv) Demonstrable leadership skills;
  (v) Commitment to high standards of ethics, personal integrity and probity; (vi) Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
  (vii) Having continuous professional development to refresh knowledge and skills.
  (viii) Such other conditions as may be decided by the Committee from time to time including but not limiting to qualifications mentioned in Annexure A

(9) Letters of Appointment

Each Director/KMP/Senior management Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

(10) Remuneration of Directors, Key Managerial Personnel and Senior Management

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior management officials. The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

(a) **Remuneration**:

(i) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

(ii) Variable salary:

For employees appointed as General Manager and above, part of the total salary shall be paid as variable salary based on performance against pre-determined financial metrics as approved by the Board while approving annual budget. The Variable salary will not exceed 25% of the total salary

(iii) Retirement Benefits

(b) **Contribution to Provident fund, Gratuity etc as per Company rules.**

(c) **Statutory Requirements:**

(i) Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.

(ii) Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

(iii) The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

(iv) The Company may with the approval of the shareholders authorise the payment of remuneration up to five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.

(v) The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.

(vi) The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

- The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors subject to provisions of section 197 and the rules made thereunder.

- The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

- The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base and determined keeping in view the industry benchmark, the relative performance of the company to the industry performance and macro -economic review on remuneration packages of CEO's and senior management of other organizations and other specifications as specified in clause 4.2 and 4.3 above .

(11) Policy For Remuneration To Directors

(a) Remuneration to Managing Director / Whole-time Directors:

(i) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

(ii) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

(b) Remuneration to Non- Executive / Independent Directors:

(i) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

(ii) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

(iii) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

(iv) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (ii) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

(v) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

(11) Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

- The Committee may Delegate any of its powers to one or more of its members.

(12) Evaluation/ Assessment of Directors of the Company –

- Under Section 178(2) of the Companies Act 2013, the Board of Directors shall carry out evaluation of performance of the Board, its Committees and Individual Director on an annual basis.

- Under Schedule IV section II (2), an Independent Director shall bring an objective view in the evaluation of performance of Board and management.

Annexure -A

Personal Specification for Directors

1. Qualification:

(i) Degree holder in relevant disciplines (e.g. management, accountancy, legal); (ii) Recognised specialist

2. Experience:

(i) Experience of management in a diverse organisation
(ii) Experience in accounting and finance, administration, corporate and strategic planning or fund management
(iii) Demonstrable ability to work effectively with a Board of Directors

3. Skills:

(i) Excellent interpersonal, communication and representational skills
(ii) Demonstrable leadership skills
(iii) Extensive team building and management skills
(iv) Strong influencing and negotiating skills
(v) Having continuous professional development to refresh knowledge and skills

4. Abilities and Attributes:

(i) Commitment to high standards of ethics, personal integrity and probity
(ii) Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.

Annexure D

CORPORTAE SOCIAL RESPONSIBILITY

1. Brief Outline of CSR Policy:

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

2. **Composition of CSR Committee**:

S.No	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Mr. Prem Kishan Dass Gupta	Chairperson	2	2
2	Mrs. Mamta Gupta	Director	2	2
3	Mr. Arun Kumar Gupta	Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://gatewayrail.in/csr.php

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Nil

6. Average net profit of the company as per section 135(5) is Rs. 101.44 crores

7. (a) Two percent of Average net profit of the company as per section 135(5) is Rs. 202,87,038

(b) Surplus arising out of the CSR projects/ programmes or activities for the financial year –Nil

(c) Amount required to be set off for the financial year- Nil

(d) Total CSR obligation for the financial year- Rs 202,87,038

8. (a). CSR amount spent / unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified underSchedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 20,618,919	Nil			Nil	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Construction of total 3.2 Km long Paver Road at streets in Sanehwal Village, Ludhiana	Rural Development Projects	Yes	Punjab	Ludhiana	2 years	138,06,000	13,805,988	N.A.	Yes	N.A.	N.A.
	Total						138,06,000	13,805,988				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6		7	8	9	
S. No.	Name of the Project	Project ID(If avail-able)	Item from the list of activities in schedule VII	Local Area (Yes/ No)	Location of the Project		Amount Spent for the project (in Rs.)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation through Implementing Agency	
					State	District			Name	CIN
1	Construction of 3 class room along with Varanda and other amenities storm water drain, washroom including plumbing works, electrification of classroom etc.	N.A	Promoting Education, including special education and employment enhancing vocation skills especially Among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Haryana	Asouti, Faridabad	4,069,726	YES	N.A	N.A
2	Repair of part of 2 KM long Road connecting Wazirpur Village and Garhi Village.	N.A.	Rural Development Projects	Yes	Haryana	Garhi, Gurugram	2,743,205	YES	N.A	N.A
						Total	68,12,931			

(a) Amount spent in Administrative Overheads: Nil

(b) Amount spent on Impact Assesment: Nil

(c) Total Amount spent for the Financial Year : Rs. 206,18,919

(d) Excess amount for set off, if any - Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of CSR unspent for the preceding three financial years: **Nil**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account undersection 135 (6)(In Rs.)	Amount spentin the reporting Financial Year(in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining tobe spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	TOTAL		Nil				

(b) Details of CSR amount spent for ongoing projects of the preceding financial year(s)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name ofthe Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated forthe project (in Rs.).	Amount spent on the project inthe reporting Financial Year (inRs).	Cumulative amount spentat the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.	N.A.	Construction of total 3.2 Km long Paver Road at streets in	2018-19	2 Years	218,06,000	138,05,988	218,06,373	Completed

		Sanehwal Village, Ludhiana						
	TOTAL				218,06,000	138,05,988	218,06,373	

10. In case of creation or acquisition of asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. **Nil**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Place: New Delhi
Date: 26th April, 2021

Prem Kishan Dass Gupta **(Chairman & Managing Director and Chairman CSR Committee)** **Din:00011670**	**Sachin Surendra Bhanushali** **(Director & CEO)** **Din:01479918**

Form No. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

TO
THE MEMBERS
GATEWAY RAIL FREIGHT LIMITED
Sector-6, Dronagiri,
Taluka URAN,
Navi Mumbai, Raigarh
Maharashtra - 400707

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S GATEWAY RAIL FREIGHT LIMITED** (hereinafter called the **company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2021 ("audit period")complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings; **(Not applicable to the Company during the Audit Period)**

(v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011 **(Not applicable to the Company during the Audit Period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992 **(Not applicable to the Company during the Audit Period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations ,2009 **(Not applicable to the Company during the Audit Period)**;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009 **(Not applicable to the Company during the Audit Period)**;and

(h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Company during the Audit Period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I **further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

- The Company has shifted the Registered office of the Company during the year under review from the NCT of Delhi to the state of Maharashtra under the jurisdiction of Registrar of Companies Mumbai, Maharashtra.

- The Company is in process of restructuring of its business and the process of reverse merger with its holding Company was ongoing at the end of the year.

SGS ASSOCIATES
Company Secretaries, First Floor, 14, Rani Jhansi Road, New Delhi – 110055

I further report that based on review of compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

For SGS ASSOCIATES
Firm Regn No. S2002DE058200
Company Secretaries

DAMODAR
PRASAD
GUPTA

D.P. Gupta
M N FCS 2411
CP No. 1509
UDIN No. U60231MH2005PLC344764
ICSI Peer Review No.1194/2021
Date: 26-04-2021
Place: - New Delhi

Note; This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of the Report.

Email: support@dpgupta.com Contact: +91-11-41524497 Mobile - 9871007801

Annexure-A

TO
THE MEMBERS
GATEWAY RAIL FREIGHT LIMITED
Sector-6, Dronagiri,
Taluka URAN,
Navi Mumbai, Raigarh
Maharashtra - 400707

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances
3. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For SGS ASSOCIATES
Firm Regn No. S2002DE058200
Company Secretaries

DAMODAR PRASAD GUPTA

D.P. Gupta
M N FCS 2411
CP No. 1509
UDIN No. U60231MH2005PLC344764
ICSI Peer Review No.1194/2021
Date: 26-04-2021
Place: - New Delhi

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Gateway Rail Freight Limited

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Gateway Rail Freight Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – SEIS benefits

We draw your attention to Note 31(iii) in the accompanying statement of standalone Ind AS financial statements wherein it has been stated that the Company had received a notice dated November 11, 2019 from the Additional Director General of Foreign Trade (ADGFT) which had questioned SEIS benefits received by the Company for financial years 2015-16 to 2017-18 under the provisions of Foreign Trade (Development and Regulation) Act, 1992.

The Company had submitted its initial response dated January 31, 2020 for the notice so received and had also responded to subsequent queries/requirements of ADGFT, and had also obtained a legal opinion basis which it believes that it has a good case and accordingly no provision has been considered in the books of account.

Our report is not modified in respect of this matter.

S.R. BATLIBOI & CO. LLP
GURUGRAM

Emphasis of Matter – Impact for outbreak of Coronavirus (Covid-19)

We draw your attention to Note 38 to the accompanying standalone Ind AS financial statements, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the future business operations of the Company.

Our report is not modified in respect of this matter.

Other Information

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

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

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

Responsibility of Management for the standalone Ind AS Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in Emphasis of Matter- SEIS benefits paragraph above, in our opinion may have an adverse effect on the functioning of the Company;

(f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Vishal Sharma

per Vishal Sharma
Partner
Membership Number: 096766
UDIN: 21096766AAAAKE1894
Place of Signature: Faridabad
Date: 26 April 2021

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

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

Re: Gateway Rail Freight Limited ("the Company")

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except for land situated at Asaoti, Haryana having gross and net book value of Rs. 20.34 lakhs as at March 31, 2021, whose title deeds are not held in the Company's name as the agreement was entered into by the guardian's (sellers) on behalf of the minor (original owner).

Further, title deeds in respect of certain immovable properties having gross and net book value of Rs. 30,184.23 lakhs included in plant, property and equipment are pledged with HDFC Bank and are not available with the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 of the Companies Act 2013 in respect of loans and guarantees given have been complied with by the company. The provisions of Section 186 are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to duty of excise are not applicable to the Company.

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

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, value added tax, goods and services tax, cess and other statutory

S.R. BATLIBOI & CO. LLP

dues which have not been deposited on account of any dispute. The provisions relating to duty of excise are not applicable to the Company.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank as at balance sheet date. The Company has neither taken any loan from financial institutions or Government nor has any dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the monies raised by way of term loans were applied for the purposes for which they were raised. Further based on the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

per Vishal Sharma
Partner
Membership Number: 096766
UDIN: 21096766AAAAKE1894
Place of Signature: Faridabad
Date: 26 April 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GATEWAY RAIL FREIGHT LIMITED

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

We have audited the internal financial controls over financial reporting of Gateway Rail Freight Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

S. R. BATLIBOI & CO. LLP
GURUGRAM

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Vishal Sharma

per Vishal Sharma
Partner
Membership No.: 096766
UDIN: 21096766AAAAKE1894
Place: Faridabad
Date: 26 April 2021

S.R. BATLIBOI & CO. LLP * GURUGRAM

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
Standalone Balance Sheet as at 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	70,630.47	75,156.90
Capital work in progress	3(a)	1,143.12	542.21
Intangible Assets	4	1,786.95	2,046.95
Right-of-use Assets	32(b)	9,973.13	12,108.25
Investment in Joint Venture	5	-	-
Financial Assets			
(i) Loans	6(f)	-	-
(ii) Other Financial Assets	6(e)	514.09	841.07
Deferred Tax Assets (Net)	7	2,851.47	1,037.88
Income Tax Assets (Net)	9	334.84	515.99
Other Non-Current Assets	8	741.09	576.22
Total Non-Current Assets		**87,975.16**	**92,825.47**
Current Assets			
Contract Assets	6(b),19	75.32	88.93
Financial Assets			
(i) Investments	6(a)	-	5,973.39
(ii) Loans	6(f)	2,500.00	-
(iii) Trade Receivables	6(b)	9,268.33	9,113.50
(iv) Cash and Cash Equivalent	6(c)	8,118.97	448.52
(v) Bank Balances other than (iv) above	6(d)	7.53	4.25
(vi) Other Financial Assets	6(e)	499.77	171.09
Other Current Assets	10	875.46	482.98
Total Current Assets		**21,345.38**	**16,282.66**
TOTAL ASSETS		**109,320.54**	**109,108.13**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11(a)	20,150.03	20,150.03
Instruments Entirely Equity in Nature	11(b)	29,580.00	29,580.00
Other Equity			
Reserve & Surplus	11(c)	20,254.27	20,511.40
Total Equity		**69,984.30**	**70,241.43**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	12	11,035.89	9,560.82
(ii) Lease Liabilities	32(b)	9,189.64	10,982.77
Employee Benefit Obligations	13	752.88	705.05
Government Grant	18	204.96	275.90
Total Non-Current Liabilities		**21,183.37**	**21,524.54**
Current Liabilities			
Contract Liabilities	15(a),19	858.56	692.19
Financial Liabilities			
(i) Borrowings	14	1,911.13	3,015.15
(ii) Lease Liabilities	32(b)	1,793.13	1,674.09
(iii) Trade Payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	15(b)	117.36	115.48
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	15(b)	5,801.86	4,891.56
(iv) Other Financial Liabilities	16	5,461.86	5,018.86
Employee Benefit Obligations	13	47.00	80.40
Other Current Liabilities	17	1,145.77	1,771.36
Government Grant	18	70.94	83.07
Income Tax Liabilities (Net)	9	945.26	-
Total Current Liabilities		**18,152.87**	**17,342.16**
TOTAL LIABILITIES		**39,336.24**	**38,866.70**
TOTAL EQUITY AND LIABILITIES		**109,320.54**	**109,108.13**

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

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

per Vishal Sharma
Partner
Membership No. : 096766

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

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

Sachin Surendra Bhanushali
Director and Chief Executive Officer
DIN:- 01479916

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: Faridabad
Date: 26 April 2021

Place: New Delhi
Date: 26 April 2021

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
Standalone Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

	Notes	Year Ended 31 March 2021	Year Ended 31 March 2020
INCOME			
Revenue from Operations	19	81,589.91	86,865.38
Other Income	20	736.08	1,106.53
Total Income		**82,325.99**	**87,971.91**
EXPENSES			
Operating Expenses	21	51,609.64	60,590.73
Employee Benefits Expenses	22	3,706.33	3,499.15
Depreciation and Amortisation Expenses	23	7,943.84	7,762.51
Finance Costs	24	2,305.23	2,333.15
Other Expenses	25	4,860.76	5,124.49
Total Expenses		**70,425.80**	**79,310.03**
Profit before tax		**11,900.19**	**8,661.88**
INCOME TAX EXPENSE	26		
-- Current Tax		1,941.27	1,364.02
-- Adjustment of tax relating to earlier periods		(86.38)	(263.84)
-- Deferred Tax		(1,739.92)	(1,564.11)
Total Income Tax Expense		**114.97**	**(463.93)**
Profit for the year		**11,785.22**	**9,125.81**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13	38.06	13.34
Income tax relating to the above		(12.71)	(4.45)
Other Comprehensive Income for the year, net of tax		**25.35**	**8.89**
Total Comprehensive Income for the year		**11,810.57**	**9,134.70**
Earnings per equity share	34		
(Nomimal value of share of Rs. 10/- and Rs.25/- each)			
-- Basic and Diluted earnings per share (Rs.)		2.93	2.27

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

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

per Vishal Sharma
Partner
Membership No. : 096766

S. R. BATLIBOI & CO. LLP GURUGRAM

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: Faridabad
Date: 26 April 2021

Place: New Delhi
Date: 26 April 2021

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
(All amounts in Rupees in Lakhs, unless otherwise stated)

Standalone Statement of changes in equity for the year ended 31 March 2021

A Equity Share Capital

Particulars	Amount
As at 1 April 2019	**20,150.03**
Changes in equity share capital	-
As at 31 March 2020 (Refer Note 11)	**20,150.03**
Changes in equity share capital	-
As at 31 March 2021 (Refer Note 11)	**20,150.03**

B Instruments entirely equity in nature - Compulsory Convertible Preference Shares

Particulars	Amount
As at 1 April 2019	29,580.00
As at 31 March 2020 (Refer Note 11)	29,580.00
As at 31 March 2021 (Refer Note 11)	29,580.00

C Other Equity attributable to equity shareholders

Particulars	Reserves and Surplus			Total
	Security Premium Reserve (Refer Note 11(c))	Capital Redemption Reserve (Refer Note 11(c))	Retained Earnings (Refer Note 11(c))	
Balance as at 1 April 2019	**132.05**	**11,500.00**	**5,369.07**	**17,001.12**
Profit for the year	-	-	9,125.81	9,125.81
Other comprehensive income, net of tax	-	-	8.89	8.89
Total comprehensive income for the year	-	-	**9,134.70**	**9,134.70**
Dividends paid	-	-	4,665.43	4,665.43
Dividend distribution tax	-	-	958.99	958.99
Balance as at 31 March 2020	**132.05**	**11,500.00**	**8,879.35**	**20,511.40**
Profit for the year	-	-	11,785.22	11,785.22
Other comprehensive income, net of tax	-	-	25.35	25.35
Total comprehensive income for the year	-	-	**11,810.57**	**11,810.57**
Dividends paid	-	-	**12,067.70**	**12,067.70**
Balance as at 31 March 2021	**132.05**	**11,500.00**	**8,622.22**	**20,254.27**

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

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

per **Vishal Sharma**
Partner
Membership No. : 096766

S.R. BATLIBOI & CO. LLP GURUGRAM

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: Faridabad
Date: 26 April 2021

Place: New Delhi
Date: 26 April 2021

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
Standalone Statement of Cash Flow for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

	Notes		Year Ended 31 March 2021	Year Ended 31 March 2020
A. **Cash flow from operating activities:**				
Profit Before income tax from Operations			11,900.19	8,661.88
Adjustments for:				
Depreciation and impairment of property, plant and equipment, intangible assets and right-of-use assets	23		7,943.84	7,762.51
Provision for Doubtful Debts (Net)	25		(8.79)	(6.07)
Provision for Doubtful Ground Rent (Net)	25		16.21	(11.46)
Gain on sale of investments (Net)	20		(14.49)	(125.56)
Gain in fair value of financial assets at fair value through profit or loss	20		-	(181.22)
Loss/ (Gain) on Sale of Property, Plant & Equipment	25		(2.43)	(0.36)
Finance Costs	24		2,305.23	2,333.15
Interest Income classified as investing cash flows	20		(173.49)	(28.85)
Net exchange differences	20		-	(11.76)
Amortization of Government Grant	20		(83.07)	(83.07)
Liabilities/ Provisions no Longer Required Written Back	20		(227.03)	(323.90)
Operating Profit before working capital changes			**21,656.17**	**17,985.29**
Change in Operating assets and liabilities:				
- (Increase)/ Decrease in Trade Receivables			(146.04)	(1,509.43)
- Increase/ (Decrease) in Trade Payables			1,139.21	916.38
- (Increase)/ Decrease in Other Financial Assets and Contract Assets			37.25	7.95
- (Increase)/ Decrease in Other Assets			(2,858.83)	199.90
- (Increase)/ Decrease in Other Bank Balances Other than considered as Cash and Cash Equivalent			(3.28)	(1.39)
- Increase/ (Decrease) in Employee Benefit Obligation			52.49	54.62
- Increase/ (Decrease) in Other Financial Liabilities and Contract Liabilities			358.11	(776.57)
- Increase/ (Decrease) in Other Current Liabilities			(625.59)	25.01
Cash generated from operations			**19,609.49**	**16,901.76**
- Income Taxes Paid			814.86	932.31
Net cash inflow from operating activities		(A)	**18,794.63**	**15,969.45**
B. **Cash flow from investing activities :**				
Purchase of Property, Plant and equipment			(1,895.82)	(4,617.81)
Proceeds from Property, Plant and equipment			2.43	0.36
(Increase)/ Decrease in Fixed Deposits with Banks	6(e)		(7.85)	(5.44)
Purchase of Investments			-	(8,145.00)
Proceeds from sale of Investments			5,987.88	4,700.43
Interest Received			139.78	5.66
Net cash inflow/ (outflow) from investing activities		(B)	**4,226.42**	**(8,061.80)**
C. **Cash flow from financing activities :**				
Proceeds of Long-Term Borrowings			3,604.11	1,796.07
Repayment of Long-Term Borrowings			(1,808.31)	(3,445.18)
Repayment of short term borrowings			-	(492.98)
Dividend Paid to Share holders			(12,064.42)	(4,664.04)
Interest Paid			(1,242.23)	(1,346.66)
Payment towards principal portion of lease liability	32(b)		(1,674.09)	(1,336.83)
Interest paid on lease liabilities			(1,061.64)	(1,017.85)
Net cash outflow from financing activities		(C)	**(14,246.58)**	**(10,507.47)**
Net Increase/ (Decrease) in Cash and Cash Equivalents		(A+B+C)	**8,774.47**	**(2,599.82)**
Cash and Cash Equivalents at the beginning of the year	6(c)		**(2,566.63)**	**33.19**
Cash and Cash Equivalents at the end of the year			**6,207.84**	**(2,566.63)**

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

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
Standalone Statement of Cash Flow for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

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

Cash and Cash Equivalents as per above comprise of the following

	Notes	Year Ended 31 March 2021	Year Ended 31 March 2020
Cash and Cash Equivalents	6(c)	15.69	17.38
Bank Balance in Current Account	6(c)	2,707.84	431.14
Bank Deposits with maturity of period less than 3 months	6(c)	5,395.44	-
		8,118.97	448.52
Bank Overdrafts	14	(1,911.13)	(3,015.15)
Balances per statement of cash flows		**6,207.84**	**(2,566.63)**

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

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

per Vishal Sharma
Partner
Membership No. : 096766

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: Faridabad
Date: 26 April 2021

Place: New Delhi
Date: 26 April 2021

Background

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

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 26 April 2021.

1. Significant Accounting Policies:

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

a. Basis of Preparation:

i. Compliance With Ind AS

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

ii. Historical Cost Convention

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

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

iii. Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

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

b. Investment in Joint Venture

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

c. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company.

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

d. Foreign currency translation:

i. Functional and presentation currency

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

ii. Transactions and balances

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

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

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

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

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

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

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

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

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

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

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

e. Revenue recognitions

Company derives revenue from providing inter-modal logistics services between major Indian ports and Inland Container Depots (ICD) by providing rail services for Export, Import and Domestic containerised cargo, integrated with road transportation, transit and bonded warehousing, refrigerated container facilities and other value added services.

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

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

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

Revenue excludes amounts collected on behalf of third parties

Rendering of services:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are revenue net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the Company activities as described below. The Company bases its estimates on historical results, taking consideration the type of customer, the type of transaction and the specific of each arrangement.

i. Income from Rail transportation is recognised on the basis of actual journey completed from one destination to another.

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

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

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

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

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GURUGRAM

Variable consideration

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

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

Contract balances

Trade receivables

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

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the services and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets and contract assets.

Contract liabilities

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

Cost to obtain a contract

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

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

Critical judgements

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

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

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

f. Other revenue streams

Export Benefits

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

Dividend

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

Interest Income

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

g. Income Tax:

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

Current income tax

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

Deferred tax

'Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially

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enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

Minimum alternate tax (MAT)

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

h. Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company's lease asset classes primarily comprise of lease for rakes, land, building and terminal. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Land Lease – 3 to 17 years

Building Lease – 9 Years

Terminal Lease – 3 years

Rake Lease – 4 to 12 years

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

"Lease liabilities" and "Right-of-Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

i. Impairment of assets

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

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

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

j. Cash and Cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowing in Short term borrowings on current liabilities in the balance sheet.

k. Trade Receivable

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

l. Investments and other financial assets

i. Classification

The Company classifies financial assets in the following measurement categories.

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

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

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

ii. Measurement

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

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

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

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

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

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

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

Debt Instruments

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

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

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

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

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

iii. Impairment of financial assets and contract assets

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

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

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

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

iv. De-recognition of financial assets

A financial asset is derecognised only when

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

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

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

v. Income recognition

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

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

m. Financial Liabilities

i. Classification

The Company classifies financial assets in the following measurement categories.

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

ii. Measurement

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

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

iii. Reclassification of financial liabilities

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

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

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification

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

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

n. Offsetting financial instruments

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

o. Property, Plant and equipment

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

The useful lives have been determined based on technical evaluation done by the management which are lower than those specified by schedule II to the companies Act 2013, in order to reflect the actual

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usage of the assets. The Company carries Nil residual value for all assets. The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

p. Intangible Assets

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable less accumulated amortisation and accumulated impairment, if any.

Intangible assets of the Company consist of Rail Licence Fees, PFT Licence Fees, Technical Know-How and Computer Software.

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

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

q. Trade and other Payables

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

r. Borrowings

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

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

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

S. R. BATLIBOI & CO. LLP
GURUGRAM

s. Borrowing Cost:

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

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

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

t. Provisions:

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

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

Provision are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

u. Employee Benefits:

i. Short term obligation

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

ii. Other long term employee benefit obligations

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

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

iii. Post employment obligation

The Company operates the following post-employment schemes:

— Defined benefit plans such as gratuity; and
— Defined contribution plan such as provident fund.

Gratuity Obligations

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

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

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

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

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

Defined Contribution Plans

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

iv. Bonus Plan

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

v. Contributed equity

Equity shares are classified as equity

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

w. Compound Financial Instrument

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

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

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x. Earnings per Share:

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii. Diluted earnings per share

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

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

y. Government grants:

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

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

z. Exceptional Items

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

aa. Contingent Liabilities

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

bb. Rounding of amounts

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

cc. New and amended standards

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for

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any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the standalone financial statements of the Company.

(ii) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the company but may impact future periods should the company enter into any business combinations.

(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the company's financial statements.

(iv) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the company's standalone financial statements.

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2. CRITICAL ESTIMATES AND JUDGEMENTS:

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

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

The areas involving critical estimates or judgements are:

a. Estimation of Provisions & Contingent Liabilities.

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 31).

b. Estimated useful life of intangible assets

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

c. Estimation of defined benefit obligation

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

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer note 13 for the details of the assumptions used in estimating the defined benefit obligation.

d. Impairment of trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Refer note 28.

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e. Estimated fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 27.

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

f. Leases – estimates the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the credit rating).

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

GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Standalone Financial Statements for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land [Refer Note (a) below]	Buildings	Railway Sidings [Refer Note (b) below]	Plant and Machinery	Other Equipments [Refer Notes (c) and (d) below]	Office Equipments	Computers	Furniture and Fittings	Leasehold Improvements	Motor Vehicles [Refer Note (e)]	Rolling Stocks-Containers and Reefer Power Packs	Rolling Stocks-Rakes & Brake Van	Electrical Installations and Equipment	Total
Gross Carrying amount														
At 01 April 2019	31,508.90	25,097.85	8,015.21	847.48	5,788.95	368.05	491.28	1,290.97	5.68	1,578.79	1,174.13	18,643.40	1,939.42	96,750.12
Additions during the year	1,518.90	141.41	-	38.97	110.17	9.87	17.77	21.89	-	1,884.76	-	320.71	30.34	4,094.79
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(1.11)	-	-	(1.11)
At 31 March 2020	33,027.80	25,239.26	8,015.21	886.45	5,899.12	377.92	509.05	1,312.86	5.68	3,463.55	1,173.02	18,964.11	1,969.76	100,843.80
Gross Carrying amount														
At 01 April 2020	33,027.80	25,239.26	8,015.21	886.45	5,899.12	377.92	509.05	1,312.86	5.68	3,463.55	1,173.02	18,964.11	1,969.76	100,843.80
Additions during the year	-	514.92	29.20	24.10	56.85	62.18	25.84	48.46	257.22	-		-	3.52	1,022.29
Disposals during the year	-	-	-	-	-	-	(0.54)	-	-	-	(1.11)	-	-	(1.65)
At 31 March 2021	33,027.80	25,754.18	8,044.42	910.55	5,955.98	440.10	534.35	1,361.32	262.90	3,463.55	1,171.91	18,964.11	1,973.28	101,864.44
Accumulated Depreciation and Impairment														
At 01 April 2019	-	3,674.00	2,083.91	127.69	2,169.59	209.41	404.10	548.33	5.68	677.30	1,024.70	8,405.12	781.11	20,110.94
Depreciation charge during the year	-	1,084.05	639.03	59.70	648.13	50.62	43.21	156.72	-	392.20	101.85	2,179.23	222.33	5,577.07
Disposal	-	-	-	-	-	-	-	-	-	-	(1.11)	-	-	(1.11)
At 31 March 2020	-	4,758.05	2,722.94	187.39	2,817.72	260.03	447.31	705.05	5.68	1,069.50	1,125.44	10,584.35	1,003.44	25,686.90
Accumulated Depreciation and Impairment														
At 01 April 2020	-	4,758.05	2,722.94	187.39	2,817.72	260.03	447.31	705.05	5.68	1,069.50	1,125.44	10,584.35	1,003.44	25,686.90
Depreciation charge during the year	-	1,065.99	572.93	62.09	645.23	53.45	35.37	145.58	15.70	516.63	23.16	2,200.87	211.72	5,548.72
Disposal	-	-	-	-	-	-	(0.54)	-	-	-	(1.11)	-	-	(1.65)
At 31 March 2021	-	5,824.04	3,295.87	249.48	3,462.95	313.48	482.14	850.64	21.38	1,586.13	1,147.49	12,785.22	1,215.16	31,233.97
Net carrying amount														
At 01 April 2019	**31,508.90**	**21,423.85**	**5,931.30**	**719.79**	**3,619.36**	**158.64**	**87.18**	**742.64**	-	**901.49**	**149.42**	**10,238.28**	**1,158.31**	**76,639.16**
At 31 March 2020	**33,027.80**	**20,481.21**	**5,292.27**	**699.06**	**3,081.40**	**117.89**	**61.74**	**607.81**	-	**2,394.05**	**47.58**	**8,379.76**	**966.32**	**75,156.90**
At 31 March 2021	**33,027.80**	**19,930.14**	**4,748.55**	**661.07**	**2,493.03**	**126.62**	**52.21**	**510.68**	**241.52**	**1,877.42**	**24.42**	**6,178.89**	**758.12**	**70,630.47**

Notes:
a) Land situated at Asaoti (Piyala) aggregating Rs. 20.33 Lakhs (31-March-20: Rs. 20.33 Lakhs) is yet to be transferred in the name of the Company.
b) Certain railway sidings are constructed on land not owned by the Company.
c) Other Equipments include reach stackers having net carrying amount Rs. 1,685.32 Lakhs (31-March-20: Rs. 2,134.56 Lakhs).
d) Other Equipments include grant received under Export promotion Capital Goods Scheme (EPCG) for imported reach stackers of Rs. 610.03 Lakhs (31-March-20: Rs. 610.03 Lakhs) and having net carrying value of Rs. 275.90 Lakhs (31-March-20: Rs. 358.97 Lakhs).
e) Motor Vehicles include trailers having net carrying amount Rs. 1,766.75 Lakhs (31-March-20: Rs. 2,250.60 Lakhs).
f) Charge on Property, plant and equipment as security
- Refer to note 36 for information on charged created on property, plant and equipment by the Company.
g) Contractual obligations
- Refer to note 32 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3(a) CAPITAL WORK IN PROGRESS

Particulars	Total
Cost	
At 1 April 2019	**159.59**
Additions during the year	3,584.32
Capitalisation during the year	3,201.70
At 31 March 2020	**542.21**
At 1 April 2020	**542.21**
Additions during the year	1,511.75
Capitalisation during the year	910.84
At 31 March 2021	**1,143.12**
At 31 March 2020	**542.21**
At 31 March 2021	**1,143.12**

Capital work-in-progress as at 31 March 2021 mainly comprises construction cost of Warehouse at ICD Viramgam of Rs. 1,132.08 lakhs.

4 INTANGIBLE ASSETS

Particulars	Rail License Fees [Refer Note (a) below]	PFT Licence Fees [Refer Note (b) below]	Computer Software [Refer Note (c) below]	Total
Gross Carrying amount				
At 01 April 2019	3,041.67	300.00	13.46	3,355.13
Additions during the year	-	-	-	-
At 31 March 2020	**3,041.67**	**300.00**	**13.46**	**3,355.13**
Gross Carrying amount				
At 01 April 2020	3,041.67	300.00	13.46	3,355.13
Additions during the year	-	-	-	-
At 31 March 2021	**3,041.67**	**300.00**	**13.46**	**3,355.13**
Accumulated Amortisation and impairment				
At 01 April 2019	1,000.00	34.72	13.46	1,048.18
Amortisation charge for the year	250.00	10.00	-	260.00
At 31 March 2020	**1,250.00**	**44.72**	**13.46**	**1,308.18**
Accumulated Amortisation and impairment				
At 01 April 2020	1,250.00	44.72	13.46	1,308.18
Amortisation charge for the year	250.00	10.00	-	260.00
At 31 March 2021	**1,500.00**	**54.72**	**13.46**	**1,568.18**
Net carrying amount				
At 01 April 2019	**2,041.67**	**265.28**	-	**2,306.95**
At 31 March 2020	**1,791.67**	**255.28**	-	**2,046.95**
At 31 March 2021	**1,541.67**	**245.28**	-	**1,786.95**

Notes:

a) Rail License Fees aggregating Rs. 5,000 Lakhs (31-March-20: Rs. 5,000 Lakhs) paid to Railway Administration towards concession agreement is amortised over the period of contract (i.e. 20 years) from date of commencement of commercial operations (June 1, 2007). Balance useful life of Rail License Fees as at March 31, 2021 is 6 years and 2 months (31-March-20: 7 years 2 months).

b) Private Freight Terminal (PFT) Licence fees aggregating Rs. 300 Lakhs (31-March-20: Rs. 300 Lakhs) paid to Railway Administration is amortised over the period of contract (i.e. 30 years).

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

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

5 INVESTMENT IN JOINT VENTURE

	As at 31 March 2021	As at 31 March 2020
Equity Investment in Joint Venture		
Unquoted Equity Instruments (At cost)		
50,997 Equity Shares (31-March-2020: 50,997) of Rs. 10 each held in Container Gateway Limited.	5.10	5.10
Less: Impairment in the value of investment	5.10	5.10
	-	-
Aggregate amount of unquoted investment	5.10	5.10
Aggregate amount of impairment in value of investment	5.10	5.10

6 FINANCIAL ASSETS

6(a) INVESTMENTS

	As at 31 March 2021	As at 31 March 2020
Investment in Mutual Fund at Fair value through Profit and Loss Account (Quoted)		
Nil unit (31-March-20: 37,883.814 units) UTI Money Market Fund - Institutional Plan - Direct Plan - Growth, NAV Rs. NA (31-March-20: Rs. 2,267.7571)	-	859.11
Nil unit (31-March-20: 260,349.3760 units) ICICI Prudential Saving Fund - Direct Plan Growth, NAV Rs. NA (31-March-20: Rs. 390.3702)	-	1,016.33
Nil unit (31-March-20: 31,786.1250 units) Kotak Low Duration Fund Fund - Direct Plan Growth, NAV Rs. NA (31-March-20: Rs. 2,581.2431)	-	820.48
Nil unit (31-March-20: 3,491,451.2470 units) Franklin India Savings Fund -Retail Option Direct Growth, NAV Rs. NA (31-March-20: Rs. 37.9130)	-	1,323.71
Nil unit (31-March-20: 259,659.8680 units) Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan, NAV Rs. NA (31-March-20: Rs. 270.9226)	-	703.48
Nil unit (31-March-20: 25,087.5540 units) Nippon India Low Duration Fund -Direct Plan Growth Option , NAV Rs. NA (31-March-20: Rs. 2,822.8697)	-	708.19
Nil unit (31-March-20: 194,113.922 units) ICICI Prudential Money Market Fund - Direct Plan Growth, NAV Rs. NA (31-March-20: Rs. 279.2649)	-	542.09
	-	5,973.39
Aggregate amount of quoted investment and market value thereof	-	**5,973.39**
Aggregate amount of impairment in value of investment	-	-

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

6(b) TRADE RECEIVABLES AND CONTRACT ASSETS

	As at 31 March 2021	As at 31 March 2020
Trade receivables	10,204.72	10,058.69
Receivables from related parties	-	-
Less: Impairment Allowance (allowance for bad and doubtful debts)*	936.39	945.19
Total Receivables	**9,268.33**	**9,113.50**
Current Portion	9,268.33	9,113.50
Non-current portion	-	-
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	10,204.72	10,058.69
Trade Receivables which have significant increase in Credit Risk	-	-
	10,204.72	10,058.69
Less: Impairment Allowance (allowance for bad and doubtful debts)*	936.39	945.19
Total Trade Receivables	**9,268.33**	**9,113.50**

Trade or other receivable is Rs. Nil (31-March-20: Rs. Nil) from directors or other officers of the Company. Trade or other receivable is Rs. Nil (31-March-20: Rs. Nil) from firms or Private Companies in which any director is a partner, a director or a member.

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

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

Contract Assets

	As at 31 March 2021	As at 31 March 2020
Accrued Ground Rent		
-- Considered good	23.77	72.43
-- Considered doubtful	81.80	65.60
	105.57	138.03
Less: Provision for doubtful ground rent	81.80	65.60
	23.77	72.43
Unbilled Revenue		
-- Considered good	51.55	16.50
-- Considered doubtful	-	-
	51.55	16.50
Less: Provision for unbilled revenue	-	-
	51.55	16.50
Total Contract Assets	**75.32**	**88.93**

Contract Assets relate to ongoing services for which the Company has entered into agreement with customer wherein the Company has identified its performance obligations in contract as per Ind AS 115 "Revenue from contract with customers". The Company's right to receive consideration is conditional upon satisfaction of these performance obligation. Contract Assets are in the nature of unbilled receivables which arises when Company satisfies performance obligation but does not have unconditional rights to consideration.

6(c) CASH AND CASH EQUIVALENT

	As at 31 March 2021	As at 31 March 2020
Balances with Banks:-		
- On Current accounts	2,707.84	431.14
- Deposits with original maturity periods less than 3 months	5,395.44	-
Cash on hand	15.69	17.38
Total Cash And Cash Equivalent	**8,118.97**	**448.52**

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting periods.
Cash at banks earns interest at floating rates bases on daily bank deposits rates. Short term deposits are made for varying period between one day to three months depending upon the immediate cash requirment of the Company and earn interest at the respective short term deposit rate.

At 31 March 2021, the Company had available Rs. 1,911.13 Lakhs (31 March 2020: Rs. 3,015.15 Lakhs) of undrawn committed borrowing facilities.

Changes in liabilities arising from financial activities

	Interest on borrowing	Current borrowings	Non-Current borrowings (including current maturities)	Lease liabilities (Current & Non-Current)
Net Debt as on 01 April 2019	**124.63**	**1,033.21**	**15,259.91**	**-**
Recognition on April 01, 2019 due to adoption of Ind AS 116	-	-	-	13,993.70
Cash flow (net)	(1,346.66)	(492.98)	(1,649.11)	(2,354.68)
Bank Overdraft		2,474.92	-	-
Interest expenses	1,315.30	-	-	1,017.85
Others	(2.58)	-	(43.12)	-
Net Debt as on 31 March 2020	**90.69**	**3015.15**	**13,567.68**	**12,656.86**
Cash flow (net)	(1,242.23)	-	1,795.80	(2,735.73)
Bank Overdraft	-	(1,104.02)	-	-
Interest expenses	1,243.59	-	-	1,061.64
Others	(2.11)	-	1.38	-
Net Debt as on 31 March 2021	**89.94**	**1,911.13**	**15,364.86**	**10,982.77**

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

	As at 31 March 2021	As at 31 March 2020
Balances with Banks:-		
- On Current accounts	2,707.84	431.14
- Deposits with original maturity periods less than 3 months	5,395.44	-
Cash on hand	15.69	17.38
Total Cash And Cash Equivalent	**8,118.97**	**448.52**
Less:- Bank overdraft (note 14)	**1,911.13**	**3,015.15**
	6,207.84	**(2,566.63)**

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

	As at 31 March 2021	As at 31 March 2020
Earmarked balances with banks:		
- in unclaimed Dividend Accounts	7.53	4.25
	7.53	**4.25**

S.R. BATLIBOI & CO. LLP
GURUGRAM

(All amounts in Rupees in Lakhs, unless otherwise stated)

6(e) OTHER FINANCIAL ASSETS

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Security deposits				
-- Considered good	14.01	344.26	2.50	351.53
-- Considered doubtful	-	2.00	-	2.00
	14.01	346.26	2.50	353.53
Less: Provision for doubtful deposits	-	2.00	-	2.00
	14.01	344.26	2.50	351.53
Bank deposits with original maturity period more than 12 months	408.33	20.89	80.77	340.60
Related Party Dues				
-- Considered good	4.67	-	48.77	-
-- Considered doubtful	2.17	-	2.17	-
	6.84	-	50.94	-
Less: Provision for doubtful Related Party Dues	2.17	-	2.17	-
	4.67	-	48.77	-
Interest Accrued but not due on Fixed Deposits with Banks	72.76	-	39.05	-
Advances recoverable in cash	-	148.94	-	148.94
	499.77	514.09	171.09	841.07

6(f) LOANS

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Loan to related party (refer note 33)				
-- Considered good	2,500.00	-	-	-
Loan to customer				
-- Considered doubtful	-	50.00	-	50.00
	2,500.00	50.00	-	50.00
Less: Allowances for doubtful loans	-	50.00	-	50.00
	2,500.00	-	-	-

The loan classified as current are repayable on demand.
The loan to relatad party are made on the terms equivalent to those that prevails in arm's length transaction.

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(All amounts in Rupees in Lakhs, unless otherwise stated)

7 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets:		
Lease Liabilities *	806.71	806.71
Minimum Alternate Tax Credit Entitlement	3,861.97	2,071.02
Other Items		
-- Provision for Doubtful Debts and Advances	107.40	145.70
-- Provision for Gratuity & Leave Encashment	35.83	28.28
-- Provision for Bonus	-	3.76
Total	4,811.91	3,055.47
Deferred Tax Liability:		
Right-of-use asset *	573.47	573.47
Financial Assets at Fair Valuation through profit and loss account	-	64.40
Depreciation on Property, plant and equipment and intangible assets	1,386.97	1,379.72
Total	1,960.44	2,017.59
Net Deferred Tax Asset/ (Liabilities)	2,851.47	1,037.88

* Deferred tax assets/(liabilities) has been calculated considering the benefit of Section 80IA availed by the Company till FY 2026-27.

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

Particulars	Property, plant and equipment	Intangible Assets	Right-of-use lease & lease liabilities	Minimum Alternate Tax Credit Entitlement	Other Items	Total
At 31 March 2020	(1,309.89)	(69.83)	233.24	2,071.02	113.34	1,037.88
Less: Charged/ (Credited)						
- to profit and loss	(6.09)	(1.16)	-	1,790.95	42.60	1,826.30
- to other comprehensive income	-	-	-	-	(12.71)	(12.71)
At 31 March 2021	(1,315.98)	(70.99)	233.24	3,861.97	143.23	2,851.47

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

8 OTHER NON-CURRENT ASSETS

	As at 31 March 2021	As at 31 March 2020
Capital Advances		
-- Considered good	735.19	536.69
-- Considered doubtful	52.31	52.31
	787.50	589.00
Less: Provision for Doubtful Advances	52.31	52.31
	735.19	536.69
Prepaid Expenses	5.90	39.53
	741.09	576.22

9 INCOME TAX ASSETS/ LIABILITIES (NET)

Opening balance	515.99	947.70
Less: Current tax payable for the year	1,941.27	1,364.02
Less: Refund received (net of provisions reversed)	329.29	723.68
Add: Taxes paid	1,144.15	1,655.99
Closing balance	(610.42)	515.99
Shown under Income tax Assets	334.84	515.99
Shown under Income tax Liability	945.26	-

10 OTHER CURRENT ASSETS

Advances Recoverable in Kind or for Value to be Received		
-- Considered good	401.90	232.67
-- Considered doubtful	-	-
	401.90	232.67
Less: Provision for Doubtful Advances	-	-
	401.90	232.67
Balances with Government Authorities	221.85	25.33
Prepaid Expenses	251.71	224.98
	875.46	482.98

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11 EQUITY SHARE CAPITAL

11(a) Equity

	Number of Shares	Amount
Authorised Equity Share Capital:		
Equity Shares having par value of Rs. 10 each		
As at 1 April 2019	4,027.00	40,270.00
Increase during the year	-	-
As at 31 March 2020	4,027.00	40,270.00
Increase during the year	-	-
As at 31 March 2021	4,027.00	40,270.00
Equity Shares having par value of Rs. 25 each		
As at 1 April 2019	0.001	0.025
Increase during the year	-	-
As at 31 March 2020	0.001	0.025
Increase during the year	-	-
As at 31 March 2021	0.001	0.025

Issued, Subscribed and Paid-up Share Capital:

Movement in Equity Share Capital

	Number of Shares	Amount
Equity Shares having par value of Rs. 10 each		
As at 1 April 2019	2,015.00	20,150.00
Increase during the year	-	-
As at 31 March 2020	2,015.00	20,150.00
Increase during the year	-	-
As at 31 March 2021	2,015.00	20,150.00
Equity Shares having par value of Rs. 25 each		
As at 1 April 2019	0.001	0.025
Increase during the year	-	-
As at 31 March 2020	0.001	0.025
Increase during the year	-	-
As at 31 March 2021	0.001	0.025
Total as at 31 March 2021	**2,015.001**	**20,150.025**

Terms and rights attached to Equity Shares

There are two class of Equity Shares issued by the Company having par value of Rs. 10 and Rs. 25 each. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend, if any, proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

11(b) Instruments Entirely Equity in Nature

Compulsory Convertible Preference Shares (CCPS)

	Number of Shares	Amount
Compulsory Convertible Preference Shares having par value of Rs. 24.65 each		
As at 1 April 2019	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2020	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2021	**1,200.00**	**29,580.00**

	Number of Shares	Amount
Movement in Compulsory Convertible Preference Shares Capital of Rs.24.65 each		
Gateway Distriparks Limited		
As at 01 April 2019	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2020	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2021	**1,200.00**	**29,580.00**
	1,200.00	**29,580.00**

The Company has only once class of Compulsorily Convertible Preference Shares (CCPS) having a face value of Rs. 24.65 each. The Holders of CCPS shall also be entitled to participate in dividends issued by the Company over and above the preferred dividend on an 'as-if converted' basis. Subject to applicable laws, holders of CCPS shall have the voting rights to vote on all matters to be decided by the Company as if the CCPS had been converted into Equity Shares at the Conversion ratio. These CCPS represents 2,006.96 Lakhs underlying equity shares which will be issued to the holders on the date of conversion. The tenure of CCPS is the expiry of 19 (Nineteen) years from the Completion date.

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	Number of Shares	Amount
(I) Shares of the Company held by Holding Company		
Equity Shares having par value of Rs. 10 each		
Gateway Distriparks Limited		
As at 31 March 2020	2,011.998	20,119.98
Increase during the year	-	-
As at 31 March 2021	2,011.998	20,119.98

(II) Details of shareholders, holding more than 5% shares in the Company

		As at 31 March 2021	As at 31 March 2020
Equity Shares having par value of Rs. 10 each			
Gateway Distriparks Limited	No of Shares (Lakhs)	2,011.998	2,011.998
	% Share holding	99.85%	99.85%
Compulsory Convertible Preference Shares of Rs. 24.65 each			
Gateway Distriparks Limited	No of Shares (Lakhs)	1,200.00	1,200.00
	% Share holding	100.00%	100.00%

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

11(c) Reserve and surplus

Particulars	31 March 2021	31 March 2020
Securities premium reserve	132.05	132.05
Retained Earnings	8,622.22	8,879.35
Capital Redemption Reserve	11,500.00	11,500.00
Total	**20,254.27**	**20,511.40**

(i) Securities premium reserve

Particulars	31 March 2021	31 March 2020
Opening balance	132.05	132.05
Increase/ (Decrease) during the year	-	-
Closing balance	**132.05**	**132.05**

(ii) Retained Earnings

Particulars	31 March 2021	31 March 2020
Opening balance	8,879.35	5,369.07
Net Profit for the year	11,810.57	9,134.70
Less : Dividends paid	12,067.70	4,665.43
Less : Dividend distribution tax	-	958.99
Closing balance	**8,622.22**	**8,879.35**

Cash dividends declared and paid :

Particulars	31 March 2021	31 March 2020
Interim Dividend II for the year ended on 31 March 2020: Rs. 1.50 per share on Equity Share and Rs. 1.75 per share on CCPS, declared in the Month of April 2020	6,034.53	-
Interim Dividend I for the year ended on 31 March 2021: Rs. 0.63 per share (31 March 2020: Rs. 1.16 per share) on Equity Share and Rs. 1.58 per share (31 March 2020: Rs. 1.94 per share) on CCPS	2,533.87	4,665.43
Dividend distribution tax (DDT) on above	-	958.99
Interim Dividend II for the year ended on 31 March 2021: Rs. 0.44 per share (31 March 2020: Rs. Nil per share) on Equity Share and Rs. 0.74 per share (31 March 2020: Rs. Nil per share) on CCPS	1,769.83	-
Interim Dividend III for the year ended on 31 March 2021: Rs. 0.43 per share (31 March 2020: Rs. Nil per share) on Equity Share and Rs. 0.72 per share (31 March 2020: Rs. Nil per share) on CCPS	1,729.47	-

(iii) Capital Redemption Reserve

Particulars	31 March 2021	31 March 2020
Opening balance	11,500.00	11,500.00
Addition during the year	-	-
Closing balance	**11,500.00**	**11,500.00**

Nature and purpose of other reserves

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized only for the limited purpose in accordance with the provision of the Companies Act 2013.

Retained Earnings
Retained earnings represents all accumulated net income netted by all dividends paid to shareholders.Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

Capital Redemption Reserve (CRR)
CRR is created out of profits on redemption of Zero Coupon Redeemable Preference Shares. The reserve is utilized only for the limited purpose in accordance with the provision of the Companies Act 2013.

GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Standalone Financial Statements for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

FINANCIAL LIABILITIES

12 NON-CURRENT BORROWINGS

	As at 31 March 2021	As at 31 March 2020
Secured:		
Term Loans		
From Banks:		
Rupee Loan [Refer Note (a) and (b) below]	14,187.79	11,708.48
Vehicle Loans		
HDFC Vehicle Loan [Refer Note (c) below]	1,177.07	1,859.20
Total Non-Current Borrowings	**15,364.86**	**13,567.68**
Less: Current maturities of long term debt from bank	3,516.28	3,235.67
Less: Current maturities of HDFC vehicle loan	722.75	680.50
Less: Interest accrued but not due	89.94	90.69
Non-Current Borrowings	**11,035.89**	**9,560.82**

Nature of security and terms of repayment for secured borrowings

Nature of Security	Terms of Repayment
a) Term Loan from HDFC Bank amounting to Rs. 11,703.88 Lakhs (31-March-20 Rs. 11,627.58 Lakhs) is secured by first exclusive charge on all the assets (fixed and current, present and future) of the Company and Corporate Guarantee by Gateway Distriparks Limited, the Holding Company, for Term Loan1 and 2.	1) The Term Loan 1 from HDFC Bank is repayable in 24 quarterly instalments within 8 years with 2 years moratorium from the date of each drawdown. Term Loan of Rs. 3,500.00 Lakhs taken on April 15, 2015 is repayable in instalments of Rs. 145.83 Lakhs starting from July 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as 15 October 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. 2) The Term Loan 2 from HDFC Bank is repayable in 24 Quarterly instalments within 8 years with 2 years moratorium from the first drawdown. a) Term Loan of Rs. 1,000.00 Lakhs taken on December 22, 2014 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. b) Term Loan of Rs. 1,000.00 Lakhs taken on January 19, 2015 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. c) Term Loan of Rs. 1,500.00 Lakhs taken on January 11, 2016 is repayable in instalments of Rs. 62.50 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. d) Term Loan of Rs. 1,000.00 Lakhs taken on February 10, 2016 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. e) Term Loan of Rs. 1,000.00 Lakhs taken on March 15, 2016 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. f) Term Loan of Rs. 770.00 Lakhs taken on May 07, 2016 is repayable in instalments of Rs. 32.08 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. 3) The Term Loan 4 from HDFC Bank is repayable in 24 quarterly instalments within 8 years with 2 years moratorium from the date of each drawdown. a) Term Loan of Rs. 1,000.00 Lakhs taken on March 31, 2016 is repayable in instalments of Rs. 41.67 Lakhs starting from June 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 30 September 2024. Interest for current year is in the range of 7.50% - 8.55% p.a. b) Term Loan of Rs. 7,000.00 Lakhs taken on July 28, 2016 is repayable in instalments of Rs. 291.67 Lakhs starting from October 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 26 January 2025. Interest for current year is in the range of 7.50% - 8.55% p.a. c) Term Loan of Rs. 644.00 Lakhs taken on August 11, 2016 is repayable in instalments of Rs. 26.83 Lakhs starting from November 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 09 February 2025. Interest for current year is in the range of 7.50% - 8.55% p.a. 4) The Term Loan 5 from HDFC Bank is repayable in 24 Quarterly instalments within 8 years with 2 years moratorium from the first drawdown. Term Loan of Rs. 10 Crore taken on August 11, 2016 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. 5) The Term Loan Facility No. 1 from HDFC Bank is repayable in 20 Quarterly instalments within 5 years and 6 months with moratorium till June 30, 2021. a) Term Loan of Rs. 710 Lakhs taken on January 30. 2021 is repayable in instalments of Rs. 35.53 Lakhs started from September 2021 with interest rate benchmark MCLR + 25 bps, with maturity date as on 30 June 2026. Interest for current year is in the range of 7.50% p.a.
b) Working Capital Term Loan from HDFC Bank amounting to Rs. 2,400 Lakhs (31-March-20 Rs. Nil) is secured by first exclusive charge on all the assets (fixed and current, present and future) of the Company	6) The working capital term loan under Guaranteed Emergency Credit Line from HDFC bank is repyable in 48 monthly installments within 5 years with 1 year moratorium from the date of drawdown i.e with maturity date as 02 January 2026. Term Loan of Rs. 2,400 Lakhs taken on January 2, 2021 is repayable in monthly installments of Rs. 50.00 Lakhs started from February 2022 with interest @ Reference rate + spread of 3.50% p.a. Interest for current year is 7.50% p.a.
c) Vehicle Finance Loan from HDFC Bank of Rs. 1,174.23 Lakhs (31-March-20 Rs. 1,854.72) is secured by way of hypothecation of trailers purchased against the same.	a) Vehicle Loan from HDFC Bank of Rs. 376.26 Lakhs taken on February 23, 2018 is repayable in 46 monthly installments of Rs. 9.64 lakhs starting from April 2018, with maturity date as January, 2022. b) Vehicle Loan from HDFC Bank of Rs. 1,796.07 Lakhs taken on November 2019 is repayable in 35 monthly instalments of Rs. 58,29,365 starting from January 2020, with maturity date as November, 2022.

Details of loan covenants disclosed in note 29.
The carrying amounts of financial and non-financial assets are charged against current and non-current borrowings are disclosed in note 36.

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(All amounts in Rupees in Lakhs, unless otherwise stated)

14 CURRENT BORROWINGS

	As at 31 March 2021	As at 31 March 2020
Secured		
Overdraft from bank*	1,911.13	3,015.15
	1,911.13	3,015.15

*Loan repayable on demand. Outstanding overdraft carry an average interest rate of ' MCLR + 25 bps' (31 March 2020: ' MCLR + 25 bps') and is secured by first exclusive charge on all assets.

15(a) CONTRACT LIABILITIES

Advances from Customers	802.67	636.30
Auction Surplus	55.89	55.89
	858.56	692.19
Current	858.56	692.19
Non-Current	-	-

The Company has entered into agreements with customers for rendering of specified services. The Company has identified these performance obligations and recognised the same as contract liabilities in respect of contracts where the Company has obligation to render specified services to a customer for which the Company has received consideration. Contract Liabilities also include surplus realisations from auction proceedings.

15(b) TRADE PAYABLES

-- Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note below]	117.36	115.48
-- Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	5,801.86	4,891.56
	5,919.22	5,007.04

Note:

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED (Refer Note 37).

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

16 OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of long term debt from Banks (Refer Note 12)	3,516.28	3,235.67
Current maturities of HDFC Vehicle Loan (Refer Note 12)	722.75	680.50
Retention Money/ Deposits from Creditors for Tangible Assets	26.71	15.31
Other Payables:		
-- Creditors for Tangible and Intangible Assets	14.18	99.70
-- Employees	19.84	256.53
-- Directors' remuneration (Net) (Refer Note 33)	1,064.63	636.21
Interest accrued but not due on borrowings	89.94	90.69
Unclaimed Dividend	7.53	4.25
	5,461.86	5,018.86

17 OTHER CURRENT LIABILITIES

Other Payables:		
-- Statutory dues	1,145.77	1,771.36
	1,145.77	1,771.36

18 GOVERNMENT GRANT

Government Grant (EPCG)		
Opening Balance	358.97	442.04
Addition	-	-
Less:- Income to be recognised in statement of P&L	83.07	83.07
Closing Balance	275.90	358.97
Current Grant (Income to be booked in 12 months)	**70.94**	**83.07**
Non- Current Grant	**204.96**	**275.90**

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GURUGRAM

13 EMPLOYEE BENEFIT OBLIGATIONS

	As at 31 March 2021			As at 31 March 2020		
	Current	Non-current	Total	Current	Non-current	Total
- Leave Obligations	25.76	246.64	272.40	60.93	240.21	301.14
- Gratuity	21.24	506.24	527.48	19.47	464.84	484.31
	47.00	**752.88**	**799.88**	**80.40**	**705.05**	**785.45**

(i) Leave Obligation

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

(ii) Post Employment obligations

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

(iii) Defined Contribution Plans

The Company also has certain defined contribution plans such as Provident Fund and Employee State Insurance Corporation (ESIC). Contribution are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 123.54 Lakhs (31 March 20 Rs. 131.73 Lakhs).

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

Particulars	Present value of obligation
01 April 2019	430.91
Current service cost	54.64
Interest Cost	33.44
Total amount recognised in profit or loss	**88.08**
Remeasurements:	
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	(6.51)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(13.89)
Actuarial (Gains) / Losses on Obligations - Due to Experience	7.06
The amount recognised in other comprehensive income	**(13.34)**
Benefit payments	(21.34)
31 March 2020	**484.31**

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

Particulars	Present value of obligation
01 April 2020	484.31
Current service cost	55.09
Interest Cost	33.08
Total amount recognised in profit or loss	**88.17**
Remeasurements:	
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	0.22
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(0.95)
Actuarial (Gains) / Losses on Obligations - Due to Experience	(37.33)
The amount recognised in other comprehensive income	**(38.06)**
Benefit payments	(6.94)
31 March 2021	**527.48**

The net liability disclosed relates to unfunded plans as follows:

Particulars	31 March 2021	31 March 2020
Present value of unfunded plans	527.48	484.31
Deficit of gratuity plan	**527.48**	**484.31**

(iv) Post employment benefits (Gratuity)
Significant estimates: Actuarial assumptions and sensitivity
The significant actuarial assumptions were as follows:

Particulars	31 March 2021	31 March 2020
Discount Rate	6.85%	6.83%
Salary growth rate	8.50%	8.50%
Attrition Rate	4 - 10%	4 - 9%

(v) Sensitivity Analysis
The sensitivity of the defined benefit obligation to change in the weighted principal assumption is:

Particulars	Change in assumption		Change	Impact on defined benefit obligation				
				Increase in assumption		Change	Decrease in assumption	
	31 March 2021	31 March 2020		31 March 2021	31 March 2020		31 March 2021	31 March 2020
Discount Rate	1%	1%	Decrease by	(8.32%)	(8.74%)	Increase by	9.70%	10.21%
Salary growth rate	1%	1%	Increase by	9.45%	9.94%	Decrease by	(8.28%)	(8.68%)
Employee Turnover	1%	1%	Decrease by	(1.14%)	(1.24%)	Increase by	1.28%	1.40%

The above sensitivity analysis are based on a change in an assumption while holding all other assumption constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method(present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.
The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi) Defined benefit obligation and employers contributions
The defined benefit obligation shall mature after year end 31 March 2021 as follows:

Particulars	Amount
1st Following Year	21.24
2nd Following Year	47.25
3rd Following Year	48.28
4th Following Year	35.89
5th Following Year	95.90
Sum of 6 to 10 Years	121.88

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(All amounts in Rupees in Lakhs, unless otherwise stated)

19 REVENUE FROM OPERATIONS

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
(A) Revenue from Contracts with Customers			
Sale of Services			
-- Rail Transport		65,059.78	72,375.45
-- Road Transport		4,737.50	4,790.50
-- Container Storage, Handling and Ground Rent		11,017.57	9,372.85
Auction Income		519.01	126.10
Total Revenue from Contracts with Customers (A)		**81,333.86**	**86,664.90**
I. Geographical markets			
Sale of Services - India		81,333.86	86,664.90
Sale of Services - Outside India		-	-
Total Revenue from Contracts with Customers		**81,333.86**	**86,664.90**
II. Timing of Revenue Recognition			
Services Transferred at point in time		-	-
Services Transferred over time		81,333.86	86,664.90
Total Revenue from Contracts with Customers		**81,333.86**	**86,664.90**
III. Contract Balances			
Trade Receivables	6(b)	9,268.33	9,113.50
Contract Asset	6(b)	75.32	88.93
Contract Liabilities	15(a)	858.56	692.19
IV. Reconciliation of Revenue as per Contract Price and as recognized in the Statement of Profit and Loss			
Revenue as per Contract Price		83,386.91	90,268.86
Less: Discounts and Incentives		2,053.05	3,603.96
Total Revenue from Contracts with Customers		**81,333.86**	**86,664.90**

V. Performance Obligation
The performance obligation in respect of services provided being provided by the Company, are satisfied over a period of time and upon acceptance of the customer. Payment is generally due upon delivery of services and acceptance of customer. Payments are generally due within 30 to 90 days.

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
(B) Other Operating Revenues			
Rent		256.05	200.48
Total Other Operating Revenue (B)		**256.05**	**200.48**
Total Revenue from Operations (A + B)		**81,589.91**	**86,865.38**

20 OTHER INCOME

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income on financial asset measured at amortized cost			
- Interest on Fixed Deposit with Banks - Gross	6(e)	71.39	28.85
- Interest on Income Tax Refund		-	67.78
- Interest on Loans		102.10	-
Unwinding of Discount on Security Deposit	6(e)	3.74	4.23
Liabilities/ Provisions no longer required Written back		227.03	323.90
Sale of Scrap		35.53	19.86
Miscellaneous Income		187.51	242.41
Provision for Doubtful Ground Rent written back (Net)	6(b),19	-	11.46
Provision for Doubtful Debts written back (Net)	6(b)	8.79	6.07
Profit on sale of Fixed Assets	3	2.43	0.36
Gain on fair valuation of financial assets recognised at fair value through profit or loss	6(a)	-	181.22
Gain on Sale of Investment in Mutual Funds	6(a)	14.49	125.56
Foreign Exchange Gain		-	11.76
Government Grant	18	83.07	83.07
Total other income		**736.08**	**1,106.53**

The Government grants have been received for the purchase of certain items of property, plant and equipment. There are no fulfilled conditions or contingencies attached to these grants.

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

21 OPERATING EXPENSES

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Rail Transport (Refer Note (i) below)		44,135.30	53,325.77
Road Transport (Refer Note (ii) below)		5,842.34	5,548.86
Container Storage, Handling and Repairs (Refer Note (iii) below)		1,584.02	1,702.66
Auction Expenses		47.98	13.44
Total Operating Expenses		**51,609.64**	**60,590.73**
(i) Details of Rail Transport			
Rail Haulage Charges		41,959.65	50,970.54
Rake Hiring Charges		45.47	84.13
Incentives		701.97	855.03
Others		1,428.21	1,416.07
Total Rail Transport		**44,135.30**	**53,325.77**
(ii) Details of Road Transport			
Trip Expenses		3,292.71	2,741.64
Trailer Hiring Charges		879.56	1,114.57
Trailer Maintenance Charges		878.29	954.17
Trailer Drivers Salary		663.43	606.19
Others		128.35	132.29
Total Road Transport		**5,842.34**	**5,548.86**
(iii) Details of Container Storage, Handling and Repairs			
Equipment Handling Charges		529.32	513.80
Labour Charges		520.43	532.31
Surveyor Expenses		384.81	403.70
Internal Shifting Charges		50.48	111.59
Others		98.98	141.26
Total Container Storage, Handling and Repairs		**1,584.02**	**1,702.66**

22 EMPLOYEE BENEFITS EXPENSES

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, Allowances and Bonus		3,450.01	3,191.36
Contribution to Provident and Other Funds	13	123.54	131.73
Gratuity	13	88.17	88.08
Staff Welfare		44.61	87.98
Total Employee Benefits Expenses		**3,706.33**	**3,499.15**

23 DEPRECIATION AND AMORTISATION EXPENSES

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Property, Plant and Equipment	3	5,548.72	5,577.07
Amortisation of Intangible Assets	4	260.00	260.00
Depreciation of Right-of-use assets	32(b)	2,135.12	1,925.44
Total Depreciation And Amortisation Expenses		**7,943.84**	**7,762.51**

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

GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Standalone Financial Statements for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

		Notes	Year ended 31 March 2021	Year ended 31 March 2020
24	**FINANCE COSTS**			
	-- Interest on Term Loans	12	1,025.07	1,177.70
	-- Interest on Buyers' Credit	14	-	3.56
	-- Interest on Cash Credit (bank overdrafts)	14	85.51	70.12
	-- Interest on Vehicle Loans	12	133.01	63.92
	-- Interest on Lease Liabilities	32(b)	1,061.64	1,017.85
	Total Finance Costs		**2,305.23**	**2,333.15**
25	**OTHER EXPENSES**			
	Power and Fuel		1,197.27	1,078.00
	Rent		61.33	132.29
	Rates and Taxes		117.28	248.87
	Repairs and Maintenance			
	-- Plant and Equipment (including Yard Equipments)		598.77	561.24
	-- Buildings/ Yard		165.28	234.74
	-- Others		346.77	331.54
	Insurance		412.91	460.32
	Customs Staff Expenses		214.09	184.21
	Printing and Stationery		55.94	81.06
	Travelling and Conveyance		316.13	421.32
	Vehicle Maintenance Expenses		8.93	11.40
	Communication		76.68	88.18
	Advertisement and Business Promotion		105.90	119.52
	Corporate Social Responsibility [Refer Note 25(a)]		206.19	191.90
	Legal and Professional Charges		196.71	253.81
	Director Sitting Fees		55.00	41.00
	Security Charges		629.59	589.60
	Auditors' Remuneration [Refer note 25(b)]			
	-- Audit Fees		39.75	37.00
	-- Out of Pocket Expenses		0.16	1.24
	Provision for Doubtful Ground Rent (Net)	6(b),19	16.21	-
	Bank Charges		39.87	57.25
	Total Other Expenses		**4,860.76**	**5,124.49**
25(a)	**Corporate Social Responsibility expenditure**			
	Gross amount required to be spent as per section 135 of the Act		*202.87*	*191.74*
	Amount spent during the year on			
	Construction/ acquisition of any asset		206.19	180.90
	On purposes other than above		-	11.00
			206.19	**191.90**
	Details			
	Contribution to Bharat Lok Shiksha Parishad		-	11.00
	Rural Development Projects		206.19	180.90
	Total Corporate Social Responsibility expenditure		**206.19**	**191.90**
25(b)	**Details of payment to auditors**			
	Payment to auditors			
	Audit Fee		21.00	21.00
	Limited Review		11.00	16.00
	In other capacities			
	Other services (certification fees)		7.75	-
	Reimbursement of expenses		0.16	1.24
	Total payment to auditors		**39.91**	**38.24**

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

26 INCOME TAX EXPENSE

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Income tax Expenses		
Current Tax		
Current Tax on profits for the year	1,941.27	1,364.02
Adjustments in respect of current income tax of earlier year	(86.38)	(263.84)
Total Current tax expenses	**1,854.89**	**1,100.18**
Deferred Tax		
Decrease/ (Increase) in deferred tax assets	(1,670.06)	(2,060.80)
(Decrease)/ Increase in deferred tax liabilities	(57.15)	501.14
Total deferred tax expense/(benefit)	**(1,727.21)**	**(1,559.66)**
Income tax expenses	**127.68**	**(459.48)**
Disclosed under		
Statement of Profit and Loss	114.97	(463.93)
Other Comprehensive Income	12.71	4.45
	127.68	**(459.48)**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	11,938.24	8,675.22
Total	**11,938.24**	**8,675.22**
Tax at the Indian tax rate of 33.384% (31-March-20: 33.384%)	**3,985.46**	**2,896.14**
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
-- Corporate social responsibility expenditure	68.83	64.06
-- Deferred Tax not created where it is expected to reverse within tax holiday period	1,496.36	258.90
-- Adjustments in respect of current income tax of previous year	(86.38)	(263.84)
--Income that is exempt from tax u/s 80IA of Income Tax Act, 1961	(5,286.43)	(3,490.70)
--Tax Benefit U/s 80 G	-	(1.25)
-- Other Items	(50.16)	77.21
Income Tax Expenses	**127.68**	**(459.48)**

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S. R. BATLIBOI & CO. LLP GURUGRAM

(All amounts in Rupees in Lakhs, unless otherwise stated)

27 **FAIR VALUE MEASUREMENTS**

27 (a) Financial instrument by category.

Particulars	Notes	As at 31 March 2021			As at 31 March 2020		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets							
Investment							
- Mutual Funds	6(a)	-	-	-	5,973.39	-	-
Loans	6(f)	-	-	2,500.00	-	-	-
Trade Receivable	6(b)	-	-	9,268.33	-	-	9,113.50
Cash and Cash equivalent	6(c)	-	-	8,118.97	-	-	448.52
Other Bank Balances	6(d)	-	-	7.53	-	-	4.25
Security Deposit	6(e)	-	-	358.27	-	-	354.03
Bank Deposits	6(e)	-	-	429.22	-	-	421.37
Advance recoverable in cash	6(e)	-	-	148.94	-	-	148.94
Other Financial Assets	6(e)	-	-	77.43	-	-	87.82
Total Financial Assets		-	-	**20,908.69**	**5,973.39**	-	**10,578.43**
Financial Liabilities							
Borrowings	12,14	-	-	17,275.99	-	-	16,582.83
Trade Payables	15(b)	-	-	5,919.22	-	-	5,007.04
Retention Money	16	-	-	26.71	-	-	15.31
Other Payables:							
-- Creditors for Tangible and Intangible Assets	16	-	-	14.18	-	-	99.70
-- Employees	16	-	-	19.84	-	-	256.53
-- Directors' commission	16	-	-	1,064.63	-	-	636.21
--Unclaimed Dividend	16	-	-	7.53	-	-	4.25
Total Financial Liabilities		-	-	**24,328.10**	-	-	**22,601.87**

(i) Fair Value hierarchy

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

Financial assets and labilities measured at fair value- recurring fair value measurement at 31-March-2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVPL					
Mutual Fund - Growth Plar	6(a)	-	-	-	-
Total Financial Assets		-	-	-	-

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

Financial assets and labilities measured at amortised cost for which fair values are disclosed at 31-March-2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposit	6(e)	-	-	358.99	358.99
Total Financial Assets		-	-	**358.99**	**358.99**
Financial Liabilities					
Borrowings - Non Current (including current maturities)	12	-	-	15,368.06	15,368.06
Borrowings - Current	14	-	-	1,911.13	1,911.13
Total Financial Liabilities		-	-	**17,279.19**	**17,279.19**

Financial assets and labilities measured at fair value- recurring fair value measurement at 31-March-2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVPL					
Mutual Fund - Growth Plan	6(a)	5,973.39	-	-	5,973.39
Total Financial Assets		**5,973.39**	-	-	**5,973.39**

Financial assets and labilities measured at amortised cost for which fair values are disclosed 31-March-2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposit	6(e)	-	-	355.43	355.43
Total Financial Assets		-	-	**355.43**	**355.43**
Financial Liabilities					
Borrowings - Non Current (including current maturities)	12	-	-	13,573.00	13,573.00
Borrowings - Current	14	-	-	3,015.15	3,015.15
Total Financial Liabilities		-	-	**16,588.15**	**16,588.15**

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

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

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

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

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

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

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

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

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

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

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Security Deposit	358.27	358.99	354.03	355.43
Total Financial Assets	**358.27**	**358.99**	**354.03**	**355.43**
Financial Liabilities				
Borrowings - Non Current (including current maturities)	15,364.86	15,368.06	13,567.68	13,573.00
Borrowings - Current	1,911.13	1,911.13	3,015.15	3,015.15
Total Financial Liabilities	**17,275.99**	**17,279.19**	**16,582.83**	**16,588.15**

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

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

Significant Estimates

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

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

28 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, liquidity risk and credit risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and the Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk taking activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company policies and Company risk objective. In the event of crisis caused due to external factors such as by the recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure that there is enough liquidity in these situations through internal and external source of funds.
This note explain the sources of risk which the entity is exposed to and how the entity manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalent, trade receivable, financial assets measured at amortised cost.	Ageing analysis, credit ratings	Diversification of bank deposit, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of bank credit lines and borrowings facilities (cash credit)
Market risk -foreign exchange	Foreign currency borrowings	Rolling cash flow forecast Sensitivity analysis	Availability of bank credit lines and borrowings facilities
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Monitoring and shifting benchmark interest rates*.
Market risk -Security price	Investment in Mutual Funds	Sensitivity analysis	Portfolio diversification

* There is no shifting of benchmark interest rates during the year.

(A) Credit Risk

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

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. Other factors of default are determined by considering the business environment in which the Company operates and other macro-economic factors. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

(i) Credit Risk Management

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

The Company's maximum exposure to credit risk as at 31 March 2021 and 31 March 2020 is the carrying value of each class of financial assets as disclosed in note 6.

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

Trade receivable and other financial assets

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

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

Out of the Gross Trade Receivables balance as at 31 March 2021 of Rs. 10,204.72 Lakhs (31-March-20: Rs. 10,058.69), the top 5 customers of the Company represent the balance of Rs. 5,530.48 Lakhs (31-March-20: Rs. 4,419.40 Lakhs).

The amount of Trade receivable outstanding as at 31 March 2021 & 31 March 2020 is as follows:

Particulars	0-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	More than 365 Days	Total
31 March 2021	5,717.66	3,052.93	492.69	250.82	(99.48)	790.10	**10,204.72**
31 March 2020	5,137.12	3,159.64	693.25	286.85	7.97	773.86	**10,058.69**

(ii) Reconciliation of loss allowances provision - Trade receivable, Other financial assets and Contract assets

Particulars	Trade receivable	Other Financial Assets and Contract Assets
Loss Allowances on 01 April 2019	**951.26**	**81.22**
Changes in loss allowances	(6.07)	(11.46)
Loss Allowances on 31 March 2020	**945.19**	**69.76**
Changes in loss allowances	(8.80)	16.21
Loss Allowances on 31 March 2021	**936.39**	**85.97**

(B) Liquidity Risk

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

(i) Financing arrangements

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

Particulars	31 March 2021	31 March 2020
Floating Rate		
Expiring within one year (Bank overdraft, Term Loans and other facilities)	7,336.53	4,986.62
Expiring beyond one year (Term loans)	-	-
Total	7,336.53	4,986.62

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

The working capital position of the Company is given below:

Particulars	31 March 2021	31 March 2020
Cash & Cash Equivalents	8,118.97	448.52
Investments in Mutual Funds	-	5,973.39
Total	**8,118.97**	**6,421.91**

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities	Repayable on demand	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
31 March 2021 (Non-Derivative)					
Borrowings	1,911.13	5,247.44	5,189.57	7,051.81	19,399.95
Lease liabilities	-	2,697.01	2,298.30	9,905.61	14,900.92
Trade payables	-	5,919.22	-	-	5,919.22
Other Financial Liabilities	-	1,132.89	-	-	1,132.89
Total Non - derivative liabilities	**1,911.13**	**14,996.56**	**7,487.87**	**16,957.42**	**41,352.98**

Contractual maturities of financial liabilities	Repayable on demand	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
31 March 2020 (Non-Derivative)					
Borrowings	3,015.15	4,909.85	4,613.93	6,053.75	18,592.68
Lease liabilities	-	2,735.73	2,697.01	12,203.92	17,636.66
Trade payables	-	5,007.04	-	-	5,007.04
Other Financial Liabilities	-	1,012.00	-	-	1,012.00
Total Non - derivative liabilities	**3,015.15**	**13,664.62**	**7,310.94**	**18,257.67**	**42,248.38**

(C) Market Risk

(i) Foreign currency risk

The Company's operations are such that all activities are confined to India. Hence, there is no exposure to foreign currency risk.

S.R. BATLIBOI & CO. LLP

(All amounts in Rupees in Lakhs, unless otherwise stated)

(ii) Cash Flow and fair value interest rate risk

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

(a) Interest Rate risk exposure

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

Particulars	31 March 2021	31 March 2020
Variable Rate Borrowings	14,103.88	11,627.58
Fixed Rate Borrowings	1,174.23	1,854.72
Total Borrowings	**15,278.11**	**13,482.30**

(b) Sensitivity

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

Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Interest Rate - Increase by 100 basis points*	77.30	86.80	-	-
Interest Rate - Decrease by 100 basis points*	(77.30)	(86.80)	-	-

Particulars (Foreign Currency Loans)	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Interest Rate - Increase by 20 basis points*	-	-	-	-
Interest Rate - Decrease by 20 basis points*	-	-	-	-

* Holding all other variable constant

(iii) Price risk

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

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

Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Net Asset Value - Increase 10% (31 March 2020 10%)*	-	388.60	-	-
Net Asset Value - Decrease 10% (31 March 2020 10%)*	-	(388.60)	-	-

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

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(All amounts in Rupees in Lakhs, unless otherwise stated)

29 CAPITAL MANAGEMENT

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

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

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital on the basis gearing ratio. The Company's policy is to keep the gearing ratio between 0% and 20%. Gearing ratio is Net Debt (total borrowings net of cash and cash equivalents) divided by Total Equity plus net debts. The capital components of the Company are as given below:

Particulars	31 March 2021	31 March 2020
Total Equity	**69,984.30**	**70,241.43**
Total Borrowings (excluding interest accruals)	15,278.11	13,482.31
Cash & Cash Equivalents	(8,118.97)	(448.52)
Net debt	**7,159.14**	**13,033.79**
Equity and net debts	**77,143.44**	**83,275.21**
Gearing ratio	**9%**	**16%**

(i) Loan covenants

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

Total Outside Liabilities to Total Net worth should be maximum 1
Minimum DSCR of 1.13 times
Fixed Asset Cover ratio should be greater than 1.9 times
Financial projections to be met with 10% variations

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

(ii) Dividends

Particulars	31 March 2021	31 March 2020
Interim Dividend II for the year ended on 31 March 2020: Rs. 1.50 per share on Equity Share and Rs. 1.75 per share on CCPS, declared in the Month of April 2020	6,034.53	-
Interim Dividend I for the year ended on 31 March 2021: Rs. 0.63 per share (31 March 2020: Rs. 1.16 per share) on Equity Share and Rs. 1.58 per share (31 March 2020: Rs. 1.94 per share) on CCPS	2,533.87	4,665.43
Dividend distribution tax (DDT) on above	-	958.99
Interim Dividend II for the year ended on 31 March 2021: Rs. 0.44 per share (31 March 2020: Rs. Nil per share) on Equity Share and Rs. 0.74 per share (31 March 2020: Rs. Nil per share) on CCPS	1,769.83	-
Interim Dividend III for the year ended on 31 March 2021: Rs. 0.43 per share (31 March 2020: Rs. Nil per share) on Equity Share and Rs. 0.72 per share (31 March 2020: Rs. Nil per share) on CCPS	1,729.47	-

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GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Standalone Financial Statements for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

30 **SEGMENT INFORMATION:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company has identified one reportable segment "Inter-Modal Logistics" i.e. based on the information reviewed by CODM. Thus, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities is as reflected in these financial statement as of and for the year ended March 31, 2021.

(a) Description of segments and principal activities

The Company is engaged in business of inter-modal logistics. It provides container logistics solution between major Indian ports and Inland Container Depots (ICD) by providing rail services for Export, Import and Domestic containerised cargo, integrated with road transportation, transit and bonded warehousing, refrigerated container facilities and other value added services.

(b) Segment revenue/results

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

Segment - Inter-Modal Logistics	31 March 2021	31 March 2020
	Revenue from external customers	Revenue from external customers
Segment revenue	81,589.91	86,865.38
Segment results		
Profit before Tax	11,900.19	8,661.88
Less: Tax expenses	114.97	(463.93)
Profit for the year	11,785.22	9,125.81

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

Revenue from external customers	31 March 2021	31 March 2020
India	81,589.91	86,865.38
Outside India	-	-
Total	**81,589.91**	**86,865.38**

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

Segment assets and Segment liabilities	31 March 2021	31 March 2020
Segment assets - India	109,320.54	109,108.13
Segment liabilities - India	39,336.24	38,866.70

31 **CONTIGENT LIABILITIES AND CONTINGENT ASSESTS**

Contingent Liabilities

The Company had guarantees and contingent liabilities at March 31, 2021 in respect of the following:

Particulars	31 March 2021	31 March 2020
Bank Guarantees and Continuity Bonds executed in favour of The President of India through the Commissioners of Excise and Customs, Sales Tax and Gatx India Private Limited	350,048.23	385,748.23
Claims made by the parties not acknowledged as debts:		
- Container Corporation of India [Refer Note (i) below]	Not Ascertainable	Not Ascertainable
- Northern Railway [Refer Note (ii) below]	148.94	148.94

(i) The Company and its Holding Company (Joint venturer till 29 March 2019 and the holding thereafter), Gateway Distriparks Limited ("GDL") are involved in an arbitration proceeding with Container Corporation of India Limited ("Concor") in respect of agreements entered into by the parties for operation of container trains from the Inland Container Depot and Rail Siding of the Company at Garhi Harsaru, Gurgaon. Concor has raised claims on the Company and GDL on various issues in respect to the aforesaid agreements. Based on legal opinion, the Management has taken a view that these claims are at a preliminary stage and the question of maintainability of the alleged disputes as raised by Concor under the aforesaid agreements is yet to be determined and are not sustainable. Pending conclusion of the arbitration, the parties are maintaining "status quo" in respect of the operations at Garhi Harsaru, Gurgaon.

(ii) The Railway Authorities had deducted Rs. 148.94 Lakhs towards Siding & Shunting charges for financial year 2010-11, however letter has been received in April'13 from Railway Authorities that the deduction made by Railways is not justified and will be refunded back to the Company. However till now the Company has not received the money, hence the same has been disclosed as 'Claims made by the parties not acknowledged as debts'. The matter is under arbitration.

(iii) The Company had accounted for the benefits available under Service Exports from India Scheme (SEIS) amounting to Rs.10,068.78 lakhs for the financial years 2015-16 to 2017-18. During the year, the Company had received a notice dated November 11, 2019 from Additional Director General of Foreign Trade [ADGFT] questioning SEIS benefits for the aforesaid financial years.

The Company had submitted its response dated January 31, 2020 to ADGFT and backed by legal opinion, believes that the SEIS scrips for aforesaid financial years were correctly availed by the Company in terms of the provisions of FTP 2015-20 and accordingly no provision has been made in the books of accounts.

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32 COMMITMENTS:

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

Particulars	31 March 2021	31 March 2020
Property, plant and equipment: Net of Capital Advance of Rs. 196.44 Lakhs (31-March-20: Rs. Nil)	908.88	461.45

b) Leases:

Right-of-Use Assets (ROU)

Particulars	Rakes	Land	Building	Terminal	Total
As at 01 April 2019	4,779.02	3,929.18	-	979.16	9,687.36
Additions during the year	3,306.54	80.03	959.76	-	4,346.33
Depreciation Expense	1,017.32	534.48	17.58	356.06	1,925.44
As at 31 March 2020	**7,068.24**	**3,474.73**	**942.18**	**623.10**	**12,108.25**
Additions during the year	-	-	-	-	-
Depreciation Expense	1,122.27	550.15	106.64	356.06	2,135.12
As at 31 March 2021	**5,945.97**	**2,924.58**	**835.54**	**267.04**	**9,973.13**

(i) Depreciation has been charged to ROU Assets on a straight line method based on the lease term and is included under depreciation and amortization expense in the statement of Profit and Loss.

Lease Liabilities

Particulars	31 March 2021	31 March 2020
Opening Balance	12,656.86	9,687.36
Additions during the year	-	4,306.34
Accretion of Interest	1,061.64	1,017.85
Payment of lease liabilities	2,735.73	2,354.69
Closing Balance	**10,982.77**	**12,656.86**
Current	**1,793.13**	**1,674.09**
Non-current	**9,189.64**	**10,982.77**

(i) The Lease Liability is recognised on various Lands, Buildings and Rakes taken on lease by the company.
(ii) The Company recognized rent expense from short-term leases of Rs. 61.33 lakhs for the year ended 31 March 2021 (31 March 2020: Rs. 132.29 Lakhs)
(iii) The weighted average incremental borrowing rate applied to lease liabilities is 8.95% p.a.

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020 on an undiscounted basis:

Particulars	31 March 2021	31 March 2020
Less than one year	2,697.01	2,735.73
One to five years	7,796.80	8,765.39
More than five years	4,407.11	6,135.53
Total	**14,900.92**	**17,636.65**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

<---The space below has been left blank intentionally--->

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(All amounts in Rupees in Lakhs, unless otherwise stated)

33 RELATED PARTY TRANSACTIONS

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

(A) Holding Company
The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership Interest
			31 March 2021
Gateway Distriparks Limited (GDL)	Holding Company	India	99.930%

(B) Jointly Controlled Entity

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

(C) Subsidiary Companies of Holding Company
Gateway East India Private Limited
Gateway Distriparks (Kerala) Limited#

There are no transaction with these company during the year

(D) Entities in which directors have control/ significant influence
Newsprint Trading and Sales Corporation (NTSC)
Perfect Communications Private Limited
Snowman Logistics Limited
Prism International Private Limited
Star Cineplex Private Limited
Rocksolid Enterprises Private Limited

(E) Directors of the Company
(i) Executive Directors
Mr. Prem Kishan Dass Gupta (Chairman and Managing Director)
Mr. Samvid Gupta (Joint Managing Director)
Mr. Sachin Surendra Bhanushali (Chief Executive Officer)

(ii) Independent and Non-Executive Directors
Mr. Ishaan Gupta (Non-Executive Director)
Mrs. Mamta Gupta (Non-Executive Director)
Mr. Arun Kumar Gupta (Independent Director)
Mr. Anil Aggarwal (Independent Director) w.e.f18 April 2020

Particulars	31 March 2021	31 March 2020
(i) Executive Directors (Key Managerial Personnel)		
Remuneration	222.77	217.14
Post-employment gratuity and leave benefits	1.06	6.71
Director Sitting Fees	23.00	18.00
Commission	1,050.00	700.00
Dividend	0.003	0.001
(ii) Non Executive and Independent Director		
Director Sitting Fees	32.00	23.00
Commission	120.00	90.00
Total compensation	**1,448.83**	**1,054.85**

(F) Relatives of Directors
Mr. Amod Sachin Bhanushali

Particulars	31 March 2021	31 March 2020
Remuneration	5.50	3.40
Total	**5.50**	**3.40**

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AY RAIL FREIGHT LIMITED

nexed to and forming part of the Standalone Financial Statements for the year ended 31 March 2021

nts in Rupees in Lakhs, unless otherwise stated)

ransactions entered into with Parties referred to in Category A, B, C and D

Sr. No.	Particulars	Gateway Distriparks Limited		Container Gateway Limited		Snowman Logistics Limited		Newsprint Trading & Sales Corporation		Gateway East India Private Limited	
		Year ended		Year ended		Year ended		Year ended		Year ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1	Payment of Dividend	12,058.70	4,661.95	-	-	-	-	-	-	-	-
2	Rendering of Services (excluding tax)	2.40	-	-	-	6.08	70.70	4.00	-	3.00	-
3	Reimbursement of KMP remuneration (excluding tax)	32.23	42.96	-	-	-	-	-	-	-	-
4	Receiving of Operating Services (excluding tax)	2.65	1.20	-	-	-	-	-	-	-	-
5	Payment of Loan	2,500.00	-	-	-	-	-	-	-	-	-
6	Receiving of Interest on Loan	102.10	-	-	-	-	-	-	-	-	-
7	Reimbursement of Other Administrative expenses incurred on their behalf	-	-	0.90	1.58	-	-	-	-	-	-
8	Reimbursement of Other Administrative expenses incurred on our behalf	4.66	-	-	-	-	-	-	-	-	-
		14,702.74	4,706.11	0.90	1.58	6.08	70.70	4.00	-	3.00	-

Sr. No.	Particulars	Perfect Communications Private Limited		Prism International Private Limited		Star Cineplex Private Limited		Rockwolid Enterprises Private Limited		Total	
		Year ended		Year ended		Year ended		Year ended		Year ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1	Payment of Dividend	-	-	-	-	-	-	-	-	12,058.70	4,661.95
2	Rendering of Services (excluding tax)	4.00	-	0.80	-	0.80	-	0.80	-	21.88	70.70
3	Reimbursement of KMP remuneration (excluding tax)	-	-	-	-	-	-	-	-	32.23	42.96
4	Receiving of Operating Services (excluding tax)	-	-	-	-	-	-	-	-	2.65	1.20
5	Payment of Loan	-	-	-	-	-	-	-	-	2,500.00	-
6	Receiving of Interest on Loan	-	-	-	-	-	-	-	-	102.10	-
7	Reimbursement of Other Administrative expenses incurred on their behalf	-	-	-	-	-	-	-	-	0.90	1.58
8	Reimbursement of Other Administrative expenses incurred on our behalf	-	-	-	-	-	-	-	-	4.66	-
		4.00	-	0.80	-	0.80	-	0.80	-	14,723.11	4,778.39

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

Sr. No.	Particulars	Gateway Distriparks Limited*		Container Gateway Limited		Snowman Logistics Limited		Key Management personnel / Directors		Total	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1	Advance Recoverable	-	45.00	6.84	5.95	0.88		-	-	7.72	50.95
2	Remuneration Payable to Executive Directors (net of TDS)	-	-	-	-			953.63	564.75	953.63	564.75
3	Commission Payable to Non-Executive and Independent Directors (net of TDS)	-	-	-	-			111.00	71.46	111.00	71.46
4	Post employment benefits	-	-	-	-			78.77	77.71	78.77	77.71
	Total	-	45.00	6.84	5.95	0.88	-	1,143.40	713.92	1,151.12	764.87

oans to/from related parties

uring Current Year Company has given Loan of Rs. 2,500 Lakhs to Gateway Distriparks Limited (31-March-20: Rs. Nil)

erms and Conditions

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

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

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

34 EARNINGS PER SHARE

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

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

Particulars	31 March 2021	31 March 2020
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	11,785.22	9,125.81

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

Particulars	31 March 2021	31 March 2020
Weighted average number of ordinary equity shares	2,015.00	2,015.00
Weighted average number of ordinary equity shares to be issued upon conversion of compulsory convertible preference shares	2,006.96	2,006.96
Total Number of shares used as the denominator for calculating earning per share	4,021.96	4,021.96

(c) Basic and Diluted earnings per share

Particulars	31 March 2021	31 March 2020
Total Basic and Diluted earnings per share attributable to the equity holders of the Company (Rs.)	2.93	2.27

(d) Information concerning the classification of securities

Compulsorily Convertible Preference Shares (CCPS): There are 120,000,000 Compulsory Convertible Preference Shares of Rs. 24.65 each. These CCPS holders shall be entitled to non-cumulative dividend of 0.0001% of the face value of CCPS, as and when declared by the Company's Board prior to and in preference to the payment of any dividend on the Equity Shares. The Holders of CCPS shall also be entitled to participate in dividends issued by the Company over and above the Preferred Dividend on an 'as-if converted' basis. These CCPS represents 2,006.96 Lakhs underlying equity shares which will be issued to the holders on the date of conversion.

35 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Collateral against borrowings
All current and non-current assets of the company are charged as security against debt facilities from the lender. For carrying amount of assets charged as security refer note 36.

36 ASSETS CHARGED AS SECURITY

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

Particulars	Notes	31 March 2021	31 March 2020
Current Assets			
Financial Assets			
First Charge			
- Contract Assets	6(b),19	75.32	88.93
- Current Investments	6(a)	-	5,973.39
- Loans	6(f)	2,500.00	-
- Trade Receivables	6(b)	9,268.33	9,113.50
- Cash and Cash Equivalents	6(c)	8,118.97	448.52
- Bank Balances other than above	6(d)	7.53	4.25
- Others Financial Assets	6(e)	499.77	171.09
- Others Current Assets	10	875.46	482.98
Total Current Assets charged as Security		**21,345.38**	**16,282.66**
Non-Current Assets			
First Charge			
Property, Plant and Equipment	3	70,630.47	75,156.90
Capital Work-in-Progress	3(a)	1,143.12	542.21
Other intangible assets	4	1,786.95	2,046.95
Other Financial Assets	6(e)	514.09	841.07
Income tax assets (Net)	9	334.84	515.99
Other Non-current Assets	8	741.09	576.22
Total Non-Current Assets charged as Security		**75,150.56**	**79,679.34**
Total Assets charged as Security		**96,495.94**	**95,962.00**

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(All amounts in Rupees in Lakhs, unless otherwise stated)

37 **DUES TO MICRO AND SMALL ENTERPRISES**

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

Particulars	31 March 2021	31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier - Principal amount	117.36	115.48
- Interest thereon	-	-
The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	-	-
The amount of interest accrued and remaining unpaid.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor.	-	-

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

38 On account of COVID-19 pandemic, nationwide lockdown was imposed by Government of India effective March 24, 2020 which extended for a couple of months in varied parts of the country and in varied forms. At the time of finalisation of these financial statements the severity of the pandemic is peaking day by day across the country and on account of which various state Governments have started imposing lockdown like restrictions in various parts of the country. Consequent to these uncertainties caused due to continuation of pandemic, the Company has done a detailed assessment for carrying amount of financial and non-financial assets and does not anticipate any impairment to these assets. Also, the management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The situation though is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of COVID-19 and due to which the Company will continue to closely monitor any material changes to future economic conditions, if any. Considering that the Company is in the business of providing inter-modal logistics services and is operating Inland Container Depot (ICD) which is considered under essential Services and the management believes that the impact of this outbreak on the business and financial position of the Company will not be significant.

39 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

40 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.

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

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

per Vishal Sharma
Partner
Membership No. : 096766

Place: Faridabad
Date: 26 April 2021

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: New Delhi
Date: 26 April 2021

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Gateway Rail Freight Limited

Report on the Audit of the consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Gateway Rail Freight (hereinafter referred to as "the Holding Company") and its joint ventures comprising of the consolidated Ind AS Balance sheet as at March 31 2021, the consolidated Ind AS Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Holding Company and its joint ventures as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – SEIS benefits

We draw your attention to Note 31(iii) to the accompanying consolidated Ind AS financial statements wherein it has been stated that the Holding Company had received a notice dated November 11, 2019 from the Additional Director General of Foreign Trade (ADGFT) which had questioned SEIS benefits received by the Holding Company for financial years 2015-16 to 2017-18 under the provisions of Foreign Trade (Development and Regulation) Act, 1992.

The Holding Company had submitted its initial response dated January 31, 2020 for the notice so received and had also responded to subsequent queries/requirements of ADGFT, and had also obtained a legal opinion basis which it believes that it has a good case and accordingly no provision has been considered in the books of account.

Our report is not modified in respect of this matter.

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

Emphasis of Matter – Impact for outbreak of Coronavirus (Covid-19)

We draw your attention to Note 39 to the accompanying consolidated Ind AS financial statements, which describes the management's assessment of the impact of the uncertainties related to outbreak of COVID-19 on the future business operations of the Holding Company and its joint venture.

Our report is not modified in respect of this matter.

Other Information

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its joint venture has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The consolidated Ind AS financial statements include the Holding Company's share of net profit of Rs. Nil for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements, other financial information have been

S.R. BATLIBOI & CO. LLP

audited by other auditor and whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of such joint venture and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of such other auditor. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Ind AS Balance Sheet, the Consolidated Ind AS Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated statement of changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Companies Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended);

(e) The matter described in Emphasis of Matter-SEIS benefits paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company;

(f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy the internal financial controls over financial reporting with reference to Consolidated Ind AS financial statements of the Holding Company and its joint ventures incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(h) In our opinion the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Holding Company and its joint ventures in its Consolidated Ind AS financial statements – Refer Note 31 to the Consolidated Ind AS financial statements;

S.R. BATLIBOI & CO. LLP GURUGRAM

ii. The Holding Company and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its joint ventures incorporated in India during the year ended March 31, 2021.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vishal Sharma
Partner
Membership Number: 096766

UDIN: 21096766AAAAKI5994

Place of Signature: Faridabad
Date: 26 April 2021

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

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

In conjunction with our audit of the consolidated Ind AS financial statement of Gateway Rail Freight Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Gateway Rail Freight Limited (hereinafter referred to as the "Holding Company") and its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Holding Company and its joint venture which are companies incorporated in India, have maintained , in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financials reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to one joint venture company, which is company incorporated in India and to the extent applicable, is based on the corresponding reports of the auditor of such joint venture incorporated in India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Vishal Sharma
Partner
Membership Number: 096766
UDIN: 21096766AAAAKI5994
Place of Signature: Faridabad
Date: 26 April 2021

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
Consolidated Balance Sheet as at 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	70,630.47	75,156.90
Capital work in progress	3(a)	1,143.12	542.21
Intangible Assets	4	1,786.95	2,046.95
Right-of-use Assets	32(b)	9,973.13	12,108.25
Investment in Joint Venture	5	-	-
Financial Assets			
(i) Loans	6(f)	-	-
(ii) Other Financial Assets	6(e)	514.09	841.07
Deferred Tax Assets (Net)	7	2,851.47	1,037.88
Income Tax Assets (Net)	9	334.84	515.99
Other Non-Current Assets	8	741.09	576.22
Total Non-Current Assets		**87,975.16**	**92,825.47**
Current Assets			
Contract Assets	6(b),19	75.32	88.93
Financial Assets			
(i) Investments	6(a)	-	5,973.39
(ii) Loans	6(f)	2,500.00	-
(iii) Trade Receivables	6(b)	9,268.33	9,113.50
(iv) Cash and Cash Equivalent	6(c)	8,118.97	448.52
(v) Bank Balances other than (iv) above	6(d)	7.53	4.25
(vi) Other Financial Assets	6(e)	499.77	171.09
Other Current Assets	10	875.46	482.98
Total Current Assets		**21,345.38**	**16,282.66**
TOTAL ASSETS		**109,320.54**	**109,108.13**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11(a)	20,150.03	20,150.03
Instruments Entirely Equity in Nature	11(b)	29,580.00	29,580.00
Other Equity			
Reserve & Surplus	11(c)	20,254.27	20,511.40
Total Equity		**69,984.30**	**70,241.43**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	12	11,035.89	9,560.82
(ii) Lease Liabilities	32(b)	9,189.64	10,982.77
Employee Benefit Obligations	13	752.88	705.05
Government Grant	18	204.96	275.90
Total Non-Current Liabilities		**21,183.37**	**21,524.54**
Current Liabilities			
Contract Liabilities	15(a),19	858.56	692.19
Financial Liabilities			
(i) Borrowings	14	1,911.13	3,015.15
(ii) Lease Liabilities	32(b)	1,793.13	1,674.09
(iii) Trade Payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	15(b)	117.36	115.48
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	15(b)	5,801.86	4,891.56
(iv) Other Financial Liabilities	16	5,461.86	5,018.86
Employee Benefit Obligations	13	47.00	80.40
Other Current Liabilities	17	1,145.77	1,771.36
Government Grant	18	70.94	83.07
Income Tax Liabilities (Net)	9	945.26	-
Total Current Liabilities		**18,152.87**	**17,342.16**
TOTAL LIABILITIES		39,336.24	38,866.70
TOTAL EQUITY AND LIABILITIES		**109,320.54**	**109,108.13**

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

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

per Vishal Sharma
Partner
Membership No. : 096766

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

Place: Faridabad
Date: 26 April 2021

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: New Delhi
Date: 26 April 2021

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
Consolidated Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

	Notes	Year Ended 31 March 2021	Year Ended 31 March 2020
INCOME			
Revenue from Operations	19	81,589.91	86,865.38
Other Income	20	736.08	1,106.53
Total Income		82,325.99	87,971.91
EXPENSES			
Operating Expenses	21	51,609.64	60,590.73
Employee Benefits Expenses	22	3,706.33	3,499.15
Depreciation and Amortisation Expenses	23	7,943.84	7,762.51
Finance Costs	24	2,305.23	2,333.15
Other Expenses	25	4,860.76	5,124.49
Total Expenses		70,425.80	79,310.03
Profit before share of net profit of investment accounted using equity method and tax		11,900.19	8,661.88
Share of net profit of joint venture accounted using the equity method		-	-
Profit before tax		11,900.19	8,661.88
INCOME TAX EXPENSE	26		
-- Current Tax		1,941.27	1,364.02
-- Adjustment of tax relating to earlier periods		(86.38)	(263.84)
-- Deferred Tax		(1,739.92)	(1,564.11)
Total Income Tax Expense		114.97	(463.93)
Profit for the year		11,785.22	9,125.81
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13	38.06	13.34
Income tax relating to the above		(12.71)	(4.45)
Other Comprehensive Income for the year, net of tax		25.35	8.89
Total Comprehensive Income for the year		11,810.57	9,134.70
Earnings per equity share	34		
(Nomimal value of share of Rs. 10/- and Rs.25/- each)			
-- Basic and Diluted earnings per share (Rs.)		2.93	2.27

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

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

per Vishal Sharma
Partner
Membership No. : 096766

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

Place: Faridabad
Date: 26 April 2021

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: New Delhi
Date: 26 April 2021

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
(All amounts in Rupees in Lakhs, unless otherwise stated)

Consolidated Statement of changes in equity for the year ended 31 March 2021

A Equity Share Capital

Particulars	Amount
As at 1 April 2019	20,150.03
Changes in equity share capital	-
As at 31 March 2020 (Refer Note 11)	20,150.03
Changes in equity share capital	-
As at 31 March 2021 (Refer Note 11)	20,150.03

B Instruments entirely equity in nature - Compulsory Convertible Preference Shares

Particulars	Amount
As at 1 April 2019	29,580.00
As at 31 March 2020 (Refer Note 11)	29,580.00
As at 31 March 2021 (Refer Note 11)	29,580.00

C Other Equity attributable to equity shareholders

Particulars	Reserves and Surplus			Total
	Security Premium Reserve (Refer Note 11(c))	Capital Redemption Reserve (Refer Note 11(c))	Retained Earnings (Refer Note 11(c))	
Balance as at 1 April 2019	132.05	11,500.00	5,369.07	17,001.12
Profit for the year	-	-	9,125.81	9,125.81
Other comprehensive income, net of tax	-	-	8.89	8.89
Total comprehensive income for the year	-	-	9,134.70	9,134.70
Dividends paid	-	-	4,665.43	4,665.43
Dividend distribution tax	-	-	958.99	958.99
Balance as at 31 March 2020	132.05	11,500.00	8,879.35	20,511.40
Profit for the year	-	-	11,785.22	11,785.22
Other comprehensive income, net of tax	-	-	25.35	25.35
Total comprehensive income for the year	-	-	11,810.57	11,810.57
Dividends paid	-	-	12,067.70	12,067.70
Balance as at 31 March 2021	132.05	11,500.00	8,622.22	20,254.27

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

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

per Vishal Sharma
Partner
Membership No. : 096766

Place: Faridabad
Date: 26 April 2021

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: New Delhi
Date: 26 April 2021

GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
Consolidated Statement of Cash Flow for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

	Notes		Year Ended 31 March 2021	Year Ended 31 March 2020
A. Cash flow from operating activities:				
Profit Before income tax from Operations			11,900.19	8,661.88
Adjustments for:				
Depreciation and impairment of property, plant and equipment, intangible assets and right-of-use assets	23		7,943.84	7,762.51
Provision for Doubtful Debts (Net)	25		(8.79)	(6.07)
Provision for Doubtful Ground Rent (Net)	25		16.21	(11.46)
Gain on sale of investments (Net)	20		(14.49)	(125.56)
Gain in fair value of financial assets at fair value through profit or loss	20		-	(181.22)
Loss/ (Gain) on Sale of Property, Plant & Equipment	25		(2.43)	(0.36)
Finance Costs	24		2,305.23	2,333.15
Interest Income classified as investing cash flows	20		(173.49)	(28.85)
Net exchange differences	20		-	(11.76)
Amortization of Government Grant	20		(83.07)	(83.07)
Liabilities/ Provisions no Longer Required Written Back	20		(227.03)	(323.90)
Operating Profit before working capital changes			**21,656.17**	**17,985.29**
Change in Operating assets and liabilities:				
- (Increase)/ Decrease in Trade Receivables			(146.04)	(1,509.43)
- Increase/ (Decrease) in Trade Payables			1,139.21	916.38
- (Increase)/ Decrease in Other Financial Assets and Contract Assets			37.25	7.95
- (Increase)/ Decrease in Other Assets			(2,858.83)	199.90
- (Increase)/ Decrease in Other Bank Balances Other than considered as Cash and Cash Equivalent			(3.28)	(1.39)
- Increase/ (Decrease) in Employee Benefit Obligation			52.49	54.62
- Increase/ (Decrease) in Other Financial Liabilities and Contract Liabilities			358.11	(776.57)
- Increase/ (Decrease) in Other Current Liabilities			(625.59)	25.01
Cash generated from operations			**19,609.49**	**16,901.76**
- Income Taxes Paid			814.86	932.31
Net cash inflow from operating activities		(A)	**18,794.63**	**15,969.45**
B. Cash flow from investing activities :				
Purchase of Property, Plant and equipment			(1,895.82)	(4,617.81)
Proceeds from Property, Plant and equipment			2.43	0.36
(Increase)/ Decrease in Fixed Deposits with Banks	6(e)		(7.85)	(5.44)
Purchase of Investments			-	(8,145.00)
Proceeds from sale of Investments			5,987.88	4,700.43
Interest Received			139.78	5.66
Net cash inflow/ (outflow) from investing activities		(B)	**4,226.42**	**(8,061.80)**
C. Cash flow from financing activities :				
Proceeds of Long-Term Borrowings			3,604.11	1,796.07
Repayment of Long-Term Borrowings			(1,808.31)	(3,445.18)
Repayment of short term borrowings			-	(492.98)
Dividend Paid to Share holders			(12,064.42)	(4,664.04)
Interest Paid			(1,242.23)	(1,346.66)
Payment towards principal portion of lease liability	32(b)		(1,674.09)	(1,336.83)
Interest paid on lease liabilities			(1,061.64)	(1,017.85)
Net cash outflow from financing activities		(C)	**(14,246.58)**	**(10,507.47)**
Net Increase/ (Decrease) in Cash and Cash Equivalents		(A+B+C)	**8,774.47**	**(2,599.82)**
Cash and Cash Equivalents at the beginning of the year	6(c)		**(2,566.63)**	**33.19**
Cash and Cash Equivalents at the end of the year			**6,207.84**	**(2,566.63)**

S.R. BATLIBOI & CO. LLP
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GATEWAY RAIL FREIGHT LIMITED
CIN: U60231MH2005PLC344764
Consolidated Statement of Cash Flow for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

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

Cash and Cash Equivalents as per above comprise of the following

	Notes	Year Ended 31 March 2021	Year Ended 31 March 2020
Cash and Cash Equivalents	6(c)	15.69	17.38
Bank Balance in Current Account	6(c)	2,707.84	431.14
Bank Deposits with maturity of period less than 3 months	6(c)	5,395.44	-
		8,118.97	448.52
Bank Overdrafts	14	(1,911.13)	(3,015.15)
Balances per statement of cash flows		6,207.84	(2,566.63)

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

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

per Vishal Sharma
Partner
Membership No. : 096766

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

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: Faridabad
Date: 26 April 2021

Place: New Delhi
Date: 26 April 2021

Background

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 26 April 2021.

1. Significant Accounting Policies:

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

a. Basis of Preparation:

i. Compliance With Ind AS

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

ii. Historical Cost Convention

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

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

iii. Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

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b. Basis of consolidation:

i. Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Gateway Rail Freight Limited has joint venture Container Gateway Limited which is non-operational.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

ii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interests in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy.

iii. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss where appropriate.

c. Investment in Joint Venture

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

d. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group.

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

e. Foreign currency translation:

i. Functional and presentation currency

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

ii. Transactions and balances

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

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

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

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

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

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

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

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

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

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A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

f. Revenue recognitions

Group derives revenue from providing inter-modal logistics services between major Indian ports and Inland Container Depots (ICD) by providing rail services for Export, Import and Domestic containerised cargo, integrated with road transportation, transit and bonded warehousing, refrigerated container facilities and other value added services.

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

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

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

Revenue excludes amounts collected on behalf of third parties

Rendering of services:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are revenue net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the Group activities as described below. The Group bases its estimates on historical results, taking consideration the type of customer, the type of transaction and the specific of each arrangement.

i. Income from Rail transportation is recognised on the basis of actual journey completed from one destination to another.
ii. Income from Road transportation is recognised on proportionate completion of the movement and delivery of goods to the party/ designated place.
iii. Income from Container handling, storage and transportation are recognised on proportionate completion of the movement and delivery of goods to the party/designated place.
iv. Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station. However, in case of long standing containers, the income from Ground Rent is not accrued for a period beyond 60 days as on the basis of past history the collectability is not reasonably assured.
v. Income from auction is recognised when the Group auctions long-standing cargo that has not been cleared by customer. Revenue and expenses for Auction are recognised when auction is completed after obtaining necessary approvals from appropriate authorities. Auction sales include recovery of the cost incurred in conducting auctions, custom duties on long-standing cargo and accrued ground rent and handling charges relating to long-standing cargo. Surplus, out of auctions, if any, after meeting all expenses and the actual ground rent, is credited to a separate account 'Auction Surplus' and is shown under the head 'Other Current Liabilities'. Unclaimed Auction Surplus, if any, in excess of period specified under the Limitations Act is written back as 'Income' in the following financial year.

Variable consideration

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

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

Contract balances

Trade receivables

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

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the services and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets and contract assets.

Contract liabilities

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

Cost to obtain a contract

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

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

Critical judgements

The Group's contracts with customers include promises to transfer service to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could

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be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

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

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

g. Other revenue streams

Export Benefits

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

Dividend

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

Interest Income

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

h. Income Tax:

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

Current income tax

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

Deferred tax

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

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

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

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

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

Minimum alternate tax (MAT)

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

i. Leases:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group's lease asset classes primarily comprise of lease for rakes, land, building and terminal. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Land Lease – 3 to 17 years

Building Lease – 9 Years

Terminal Lease – 3 years

Rake Lease – 4 to 12 years

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

"Lease liabilities" and "Right-of-Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j. Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable

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amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k. Cash and Cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowing in Short term borrowings on current liabilities in the balance sheet.

l. Trade Receivable

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

m. Investments and other financial assets

i. Classification

The Group classifies financial assets in the following measurement categories.

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

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

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

ii. Measurement

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

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

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

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

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

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

Debt Instruments

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

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

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

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

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

iii. Impairment of financial assets and contract assets

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

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

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

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

iv. De-recognition of financial assets

A financial asset is derecognised only when

— The Group has transferred the right to receive cash flows from the financial assets, or

— Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

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

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

v. Income recognition

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

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

n. Financial Liabilities

i. Classification

The Group classifies financial assets in the following measurement categories.

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

ii. Measurement

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

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

iii. Reclassification of financial liabilities

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

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

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification

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

o. Offsetting financial instruments

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

p. Property, Plant and equipment

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

q. Intangible Assets

Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable less accumulated amortisation and accumulated impairment, if any.

Intangible assets of the Group consist of Rail Licence Fees, PFT Licence Fees, Technical Know-How and Computer Software.

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

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

r. Trade and other Payables

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

s. Borrowings

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

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

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

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t. Borrowing Cost:

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

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

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

u. Provisions:

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

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

Provision are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre -tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

v. Employee Benefits:

i. Short term obligation

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

ii. Other long term employee benefit obligations

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

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

iii. Post employment obligation

The Group operates the following post-employment schemes:

— Defined benefit plans such as gratuity; and
— Defined contribution plan such as provident fund.

Gratuity Obligations

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

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

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

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

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

Defined Contribution Plans

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

iv. Bonus Plan

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

w. Contributed equity

Equity shares are classified as equity

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

x. Compound Financial Instrument

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

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

S. R. BATLIBOI & CO. LLP
GURUGRAM

y. Earnings per Share:

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii. Diluted earnings per share

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

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

z. Government grants:

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

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

aa. Exceptional Items

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

bb. Contingent Liabilities

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

cc. Rounding of amounts

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

dd. New and amended standards

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the consolidated financial statements of the Group.

(ii) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Group but may impact future periods should the Group enter into any business combinations.

(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Group's financial statements.

(iv) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Group as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the consolidated financial statements.

S. R. BATLIBOI & CO. LLP * GURUGRAM

2. CRITICAL ESTIMATES AND JUDGEMENTS:

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

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

The areas involving critical estimates or judgements are:

a. Estimation of Provisions & Contingent Liabilities.

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 31).

b. Estimated useful life of intangible assets

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

c. Estimation of defined benefit obligation

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

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer note 13 for the details of the assumptions used in estimating the defined benefit obligation.

d. Impairment of trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Refer note 28.

e. Estimated fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 27.

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

f. Leases – estimates the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the credit rating).

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

GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land [Refer Note (a) below]	Buildings	Railway Sidings [Refer Note (b) below]	Plant and Machinery	Other Equipments [Refer Notes (c) and (d) below]	Office Equipments	Computers	Furniture and Fittings	Leasehold Improvements	Motor Vehicles [Refer Note (e)]	Rolling Stocks-Containers and Reefer Power Packs	Rolling Stocks-Rakes & Brake Van	Electrical Installations and Equipment	Total
Gross Carrying amount														
At 01 April 2019	31,508.90	25,097.85	8,015.21	847.48	5,788.95	368.05	491.28	1,290.97	5.68	1,578.79	1,174.13	18,643.40	1,939.42	96,750.12
Additions during the year	1,518.90	141.41	-	38.97	110.17	9.87	17.77	21.89	-	1,884.76	-	320.71	30.34	4,094.79
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(1.11)	-	-	(1.11)
At 31 March 2020	33,027.80	25,239.26	8,015.21	886.45	5,899.12	377.92	509.05	1,312.86	5.68	3,463.55	1,173.02	18,964.11	1,969.76	100,843.80
Gross Carrying amount														
At 01 April 2020	33,027.80	25,239.26	8,015.21	886.45	5,899.12	377.92	509.05	1,312.86	5.68	3,463.55	1,173.02	18,964.11	1,969.76	100,843.80
Additions during the year	-	514.92	29.20	24.10	56.85	62.18	25.84	48.46	257.22	-		-	3.52	1,022.29
Disposals during the year	-	-	-	-	-	-	(0.54)	-	-	-	(1.11)	-	-	(1.65)
At 31 March 2021	33,027.80	25,754.18	8,044.42	910.55	5,955.98	440.10	534.35	1,361.32	262.00	3,463.55	1,171.91	18,964.11	1,973.28	101,864.44
Accumulated Depreciation and Impairment														
At 01 April 2019	-	3,674.00	2,083.91	127.69	2,169.59	209.41	404.10	548.33	5.68	677.30	1,024.70	8,405.12	781.11	20,110.94
Depreciation charge during the year	-	1,084.05	639.03	59.70	648.13	50.62	43.21	156.72	-	392.20	101.85	2,179.23	222.33	5,577.07
Disposal	-	-	-	-	-	-	-	-	-	-	(1.11)	-	-	(1.11)
At 31 March 2020	-	4,758.05	2,722.94	187.39	2,817.72	260.03	447.31	705.05	5.68	1,069.50	1,125.44	10,584.35	1,003.44	25,686.90
Accumulated Depreciation and Impairment														
At 01 April 2020	-	4,758.05	2,722.94	187.39	2,817.72	260.03	447.31	705.05	5.68	1,069.50	1,125.44	10,584.35	1,003.44	25,686.90
Depreciation charge during the year	-	1,065.99	572.93	62.09	645.23	53.45	35.37	145.58	15.70	516.63	23.16	2,200.87	211.72	5,548.72
Disposal	-	-	-	-	-	-	(0.54)	-	-	-	(1.11)	-	-	(1.65)
At 31 March 2021	-	5,824.04	3,295.87	249.48	3,462.95	313.48	482.14	850.64	21.38	1,586.13	1,147.40	12,785.22	1,215.16	31,233.97
Net carrying amount														
At 01 April 2019	31,508.90	21,423.85	5,931.30	719.79	3,619.36	158.64	87.18	742.64	-	901.49	149.42	10,238.28	1,158.31	76,639.16
At 31 March 2020	33,027.80	20,481.21	5,292.27	699.06	3,081.40	117.89	61.74	607.81	-	2,394.05	47.58	8,379.76	966.32	75,156.90
At 31 March 2021	33,027.80	19,930.14	4,748.55	661.07	2,493.03	126.62	52.21	510.68	241.52	1,877.42	24.42	6,178.89	758.12	70,630.47

Notes:

a) Land situated at Asaoti (Piyala) aggregating Rs. 20.33 Lakhs (31-March-20: Rs. 20.33 Lakhs) is yet to be transferred in the name of the Group.

b) Certain railway sidings are constructed on land not owned by the Group.

c) Other Equipments include reach stackers having net carrying amount Rs. 1,685.32 Lakhs (31-March-20: Rs. 2,134.56 Lakhs).

d) Other Equipments include grant received under Export promotion Capital Goods Scheme (EPCG) for imported reach stackers of Rs. 610.03 Lakhs (31-March-20: Rs. 610.03 Lakhs) and having net carrying value of Rs. 275.90 Lakhs (31-March-20: Rs. 358.97 Lakhs).

e) Motor Vehicles include trailers having net carrying amount Rs. 1,766.75 Lakhs (31-March-20: Rs. 2,250.60 Lakhs).

f) Charge on Property, plant and equipment as security

- Refer to note 36 for information on charged created on property, plant and equipment by the Group.

g) Contractual obligations

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

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

GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021

(All amounts in Rupees in Lakhs, unless otherwise stated)

3(a) CAPITAL WORK IN PROGRESS

Particulars	Total
Cost	
At 1 April 2019	159.59
Additions during the year	3,584.32
Capitalisation during the year	3,201.70
At 31 March 2020	**542.21**
At 1 April 2020	542.21
Additions during the year	1,511.75
Capitalisation during the year	910.84
At 31 March 2021	**1,143.12**
At 31 March 2020	**542.21**
At 31 March 2021	**1,143.12**

Capital work-in-progress as at 31 March 2021 mainly comprises construction cost of Warehouse at ICD Viramgam of Rs. 1,132.08 lakhs.

4 INTANGIBLE ASSETS

Particulars	Rail License Fees [Refer Note (a) below]	PFT Licence Fees [Refer Note (b) below]	Computer Software [Refer Note (c) below]	Total
Gross Carrying amount				
At 01 April 2019	3,041.67	300.00	13.46	3,355.13
Additions during the year	-	-	-	-
At 31 March 2020	**3,041.67**	**300.00**	**13.46**	**3,355.13**
Gross Carrying amount				
At 01 April 2020	3,041.67	300.00	13.46	3,355.13
Additions during the year	-	-	-	-
At 31 March 2021	**3,041.67**	**300.00**	**13.46**	**3,355.13**
Accumulated Amortisation and impairment				
At 01 April 2019	1,000.00	34.72	13.46	1,048.18
Amortisation charge for the year	250.00	10.00	-	260.00
At 31 March 2020	**1,250.00**	**44.72**	**13.46**	**1,308.18**
Accumulated Amortisation and impairment				
At 01 April 2020	1,250.00	44.72	13.46	1,308.18
Amortisation charge for the year	250.00	10.00	-	260.00
At 31 March 2021	**1,500.00**	**54.72**	**13.46**	**1,568.18**
Net carrying amount				
At 01 April 2019	**2,041.67**	**265.28**	-	**2,306.95**
At 31 March 2020	**1,791.67**	**255.28**	-	**2,046.95**
At 31 March 2021	**1,541.67**	**245.28**	-	**1,786.95**

Notes:

a) Rail License Fees aggregating Rs. 5,000 Lakhs (31-March-20: Rs. 5,000 Lakhs) paid to Railway Administration towards concession agreement is amortised over the period of contract (i.e. 20 years) from date of commencement of commercial operations (June 1, 2007). Balance useful life of Rail License Fees as at March 31, 2021 is 6 years and 2 months (31-March-20: 7 years 2 months).

b) Private Freight Terminal (PFT) Licence fees aggregating Rs. 300 Lakhs (31-March-20: Rs. 300 Lakhs) paid to Railway Administration is amortised over the period of contract (i.e. 30 years).

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

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

5 INVESTMENT IN JOINT VENTURE

	As at 31 March 2021	As at 31 March 2020
Equity Investment in Joint Venture		
Unquoted Equity Instruments (At cost)		
50,997 Equity Shares (31-March-2020: 50,997) of Rs. 10 each held in Container Gateway Limited.	5.10	5.10
Less: Impairment in the value of investment	5.10	5.10
	-	-
Aggregate amount of unquoted investment	5.10	5.10
Aggregate amount of impairment in value of investment	5.10	5.10

6 FINANCIAL ASSETS

6(a) INVESTMENTS

	As at 31 March 2021	As at 31 March 2020
Investment in Mutual Fund at Fair value through Profit and Loss Account (Quoted)		
Nil unit (31-March-20: 37,883.814 units) UTI Money Market Fund - Institutional Plan - Direct Plan - Growth, NAV Rs. NA (31-March-20: Rs. 2,267.7571)	-	859.11
Nil unit (31-March-20: 260,349.3760 units) ICICI Prudential Saving Fund - Direct Plan Growth, NAV Rs. NA (31-March-20: Rs. 390.3702)	-	1,016.33
Nil unit (31-March-20: 31,786.1250 units) Kotak Low Duration Fund Fund - Direct Plan Growth, NAV Rs. NA (31-March-20: Rs. 2,581.2431)	-	820.48
Nil unit (31-March-20: 3,491,451.2470 units) Franklin India Savings Fund -Retail Option Direct Growth, NAV Rs. NA (31-March-20: Rs. 37.9130)	-	1,323.71
Nil unit (31-March-20: 259,659.8680 units) Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan, NAV Rs. NA (31-March-20: Rs. 270.9226)	-	703.48
Nil unit (31-March-20: 25,087.5540 units) Nippon India Low Duration Fund -Direct Plan Growth Option , NAV Rs. NA (31-March-20: Rs. 2,822.8697)	-	708.19
Nil unit (31-March-20: 194,113.922 units) ICICI Prudential Money Market Fund - Direct Plan Growth, NAV Rs. NA (31-March-20: Rs. 279.2649)	-	542.09
	-	5,973.39
Aggregate amount of quoted investment and market value thereof	-	**5,973.39**
Aggregate amount of impairment in value of investment	-	-

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

6(b) TRADE RECEIVABLES AND CONTRACT ASSETS

	As at 31 March 2021	As at 31 March 2020
Trade receivables	10,204.72	10,058.69
Receivables from related parties	-	-
Less: Impairment Allowance (allowance for bad and doubtful debts)*	936.39	945.19
Total Receivables	9,268.33	9,113.50
Current Portion	9,268.33	9,113.50
Non-current portion	-	-
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	10,204.72	10,058.69
Trade Receivables which have significant increase in Credit Risk	-	-
	10,204.72	10,058.69
Less: Impairment Allowance (allowance for bad and doubtful debts)*	936.39	945.19
Total Trade Receivables	9,268.33	9,113.50

Trade or other receivable is Rs. Nil (31-March-20: Rs. Nil) from directors or other officers of the Group. Trade or other receivable is Rs. Nil (31-March-20: Rs. Nil) from firms or Private Companies in which any director is a partner, a director or a member.

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

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

Contract Assets

Accrued Ground Rent		
-- Considered good	23.77	72.43
-- Considered doubtful	81.80	65.60
	105.57	138.03
Less: Provision for doubtful ground rent	81.80	65.60
	23.77	72.43
Unbilled Revenue		
-- Considered good	51.55	16.50
-- Considered doubtful	-	-
	51.55	16.50
Less: Provision for unbilled revenue	-	-
	51.55	16.50
Total Contract Assets	75.32	88.93

Contract Assets relate to ongoing services for which the Group has entered into agreement with customer wherein the Group has identified its performance obligations in contract as per Ind AS 115 "Revenue from contract with customers". The Group's right to receive consideration is conditional upon satisfaction of these performance obligation. Contract Assets are in the nature of unbilled receivables which arises when Group satisfies performance obligation but does not have unconditional rights to consideration.

6(c) CASH AND CASH EQUIVALENT

Balances with Banks:-		
- On Current accounts	2,707.84	431.14
- Deposits with original maturity periods less than 3 months	5,395.44	-
Cash on hand	15.69	17.38
Total Cash And Cash Equivalent	8,118.97	448.52

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting periods.

Cash at banks earns interest at floating rates bases on daily bank deposits rates. Short term deposits are made for varying period between one day to three months depending upon the immediate cash requirment of the Group and earn interest at the respective short term deposit rate.

At 31 March 2021, the Group had available Rs. 1,911.13 Lakhs (31 March 2020: Rs. 3,015. 15 Lakhs) of undrawn committed borrowing facilities.

Changes in liabilities arising from financial activities

	Interest on borrowing	Current borrowings	Non-Current borrowings (including current maturities)	Lease liabilities (Current & Non-Current)
Net Debt as on 01 April 2019	124.63	1,033.21	15,259.91	-
Recognition on April 01, 2019 due to adoption of Ind AS 116	-	-	-	13,993.70
Cash flow (net)	(1,346.66)	(492.98)	(1,649.11)	(2,354.68)
Bank Overdraft		2,474.92	-	-
Interest expenses	1,315.30	-	-	1,017.85
Others	(2.58)	-	(43.12)	-
Net Debt as on 31 March 2020	90.69	3015.15	13,567.68	12,656.86
Cash flow (net)	(1,242.23)	-	1,795.80	(2,735.73)
Bank Overdraft	-	(1,104.02)	-	-
Interest expenses	1,243.59	-	-	1,061.64
Others	(2.11)	-	1.38	-
Net Debt as on 31 March 2021	89.94	1,911.13	15,364.86	10,982.77

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

Balances with Banks:-		
- On Current accounts	2,707.84	431.14
- Deposits with original maturity periods less than 3 months	5,395.44	-
Cash on hand	15.69	17.38
Total Cash And Cash Equivalent	8,118.97	448.52
Less:- Bank overdraft (note 14)	1,911.13	3,015.15
	6,207.84	(2,566.63)

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

Earmarked balances with banks:		
- in unclaimed Dividend Accounts	7.53	4.25
	7.53	4.25

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

6(e) OTHER FINANCIAL ASSETS

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Security deposits				
-- Considered good	14.01	344.26	2.50	351.53
-- Considered doubtful	-	2.00	-	2.00
	14.01	346.26	2.50	353.53
Less: Provision for doubtful deposits	-	2.00	-	2.00
	14.01	344.26	2.50	351.53
Bank deposits with original maturity period more than 12 months	408.33	20.89	80.77	340.60
Related Party Dues				
-- Considered good	4.67	-	48.77	-
-- Considered doubtful	2.17	-	2.17	-
	6.84	-	50.94	-
Less: Provision for doubtful Related Party Dues	2.17	-	2.17	-
	4.67	-	48.77	-
Interest Accrued but not due on Fixed Deposits with Banks	72.76	-	39.05	-
Advances recoverable in cash	-	148.94	-	148.94
	499.77	514.09	171.09	841.07

6(f) LOANS

	As at 31 March 2021		As at 31 March 2020	
	Current	Non-current	Current	Non-current
Loan to related party (refer note 33)				
-- Considered good	2,500.00	-	-	-
Loan to customer				
-- Considered doubtful	-	50.00	-	50.00
	2,500.00	50.00	-	50.00
Less: Allowances for doubtful loans	-	50.00	-	50.00
	2,500.00	-	-	-

The loan classified as current are repayable on demand.
The loan to related party are made on the terms equivalent to those that prevails in arm's length transaction.

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GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

7 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets:		
Lease Liabilities *	806.71	806.71
Minimum Alternate Tax Credit Entitlement	3,861.97	2,071.02
Other Items		
-- Provision for Doubtful Debts and Advances	107.40	145.70
-- Provision for Gratuity & Leave Encashment	35.83	28.28
-- Provision for Bonus	-	3.76
Total	4,811.91	3,055.47
Deferred Tax Liability:		
Right-of-use asset *	573.47	573.47
Financial Assets at Fair Valuation through profit and loss account	-	64.40
Depreciation on Property, plant and equipment and intangible assets	1,386.97	1,379.72
Total	1,960.44	2,017.59
Net Deferred Tax Asset/ (Liabilities)	2,851.47	1,037.88

* Deferred tax assets/(liabilities) has been calculated considering the benefit of Section 80IA availed by the Group till FY 2026-27.

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

Particulars	Property, plant and equipment	Intangible Assets	Right-of-use lease & lease liabilities	Minimum Alternate Tax Credit Entitlement	Other Items	Total
At 31 March 2020	(1,309.89)	(69.83)	233.24	2,071.02	113.34	1,037.88
Less: Charged/ (Credited)						
- to profit and loss	(6.09)	(1.16)	-	1,790.95	42.60	1,826.30
- to other comprehensive income	-	-	-	-	(12.71)	(12.71)
At 31 March 2021	(1,315.98)	(70.99)	233.24	3,861.97	143.23	2,851.47

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

8 OTHER NON-CURRENT ASSETS

	As at 31 March 2021	As at 31 March 2020
Capital Advances		
-- Considered good	735.19	536.69
-- Considered doubtful	52.31	52.31
	787.50	589.00
Less: Provision for Doubtful Advances	52.31	52.31
	735.19	536.69
Prepaid Expenses	5.90	39.53
	741.09	576.22

9 INCOME TAX ASSETS/ LIABILITIES (NET)

Opening balance	515.99	947.70
Less: Current tax payable for the year	1,941.27	1,364.02
Less: Refund received (net of provisions reversed)	329.29	723.68
Add: Taxes paid	1,144.15	1,655.99
Closing balance	(610.42)	515.99
Shown under Income tax Assets	334.84	515.99
Shown under Income tax Liability	945.26	-

10 OTHER CURRENT ASSETS

Advances Recoverable in Kind or for Value to be Received		
-- Considered good	401.90	232.67
-- Considered doubtful	-	-
	401.90	232.67
Less: Provision for Doubtful Advances	-	-
	401.90	232.67
Balances with Government Authorities	221.85	25.33
Prepaid Expenses	251.71	224.98
	875.46	482.98

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11 EQUITY SHARE CAPITAL

11(a) Equity

	Number of Shares	Amount
Authorised Equity Share Capital:		
Equity Shares having par value of Rs. 10 each		
As at 1 April 2019	4,027.00	40,270.00
Increase during the year	-	-
As at 31 March 2020	4,027.00	40,270.00
Increase during the year	-	-
As at 31 March 2021	4,027.00	40,270.00
Equity Shares having par value of Rs. 25 each		
As at 1 April 2019	0.001	0.025
Increase during the year	-	-
As at 31 March 2020	0.001	0.025
Increase during the year	-	-
As at 31 March 2021	0.001	0.025

Issued, Subscribed and Paid-up Share Capital:

Movement in Equity Share Capital

	Number of Shares	Amount
Equity Shares having par value of Rs. 10 each		
As at 1 April 2019	2,015.00	20,150.00
Increase during the year	-	-
As at 31 March 2020	2,015.00	20,150.00
Increase during the year	-	-
As at 31 March 2021	2,015.00	20,150.00
Equity Shares having par value of Rs. 25 each		
As at 1 April 2019	0.001	0.025
Increase during the year	-	-
As at 31 March 2020	0.001	0.025
Increase during the year	-	-
As at 31 March 2021	0.001	0.025
Total as at 31 March 2021	**2,015.001**	**20,150.025**

Terms and rights attached to Equity Shares

There are two class of Equity Shares issued by the Group having par value of Rs. 10 and Rs. 25 each. Each shareholder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The final dividend, if any, proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the equity shareholders will be entitled to receive the remaining assets of the Group, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

11(b) Instruments Entirely Equity in Nature

Compulsory Convertible Preference Shares (CCPS)

	Number of Shares	Amount
Compulsory Convertible Preference Shares having par value of Rs. 24.65 each		
As at 1 April 2019	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2020	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2021	**1,200.00**	**29,580.00**

Movement in Compulsory Convertible Preference Shares Capital of Rs.24.65 each	Number of Shares	Amount
Gateway Distriparks Limited		
As at 01 April 2019	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2020	1,200.00	29,580.00
Increase during the year	-	-
As at 31 March 2021	**1,200.00**	**29,580.00**
	1,200.00	**29,580.00**

The Group has only once class of Compulsorily Convertible Preference Shares (CCPS) having a face value of Rs. 24.65 each. The Holders of CCPS shall also be entitled to participate in dividends issued by the Group over and above the preferred dividend on an 'as-if converted' basis. Subject to applicable laws, holders of CCPS shall have the voting rights to vote on all matters to be decided by the Group as if the CCPS had been converted into Equity Shares at the Conversion ratio. These CCPS represents 2,006.96 Lakhs underlying equity shares which will be issued to the holders on the date of conversion. The tenure of CCPS is the expiry of 19 (Nineteen) years from the Completion date.

S.R. BATLIBOI & CO. LLP GURUGRAM

GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021

(All amounts in Rupees in Lakhs, unless otherwise stated)

(I) Shares of the Group held by Holding Company

	Number of Shares	Amount
Equity Shares having par value of Rs. 10 each		
Gateway Distriparks Limited		
As at 31 March 2020	2,011.998	20,119.98
Increase during the year	-	-
As at 31 March 2021	2,011.998	20,119.98

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

		As at 31 March 2021	As at 31 March 2020
Equity Shares having par value of Rs. 10 each			
Gateway Distriparks Limited	No of Shares (Lakhs)	2,011.998	2,011.998
	% Share holding	99.85%	99.85%
Compulsory Convertible Preference Shares of Rs. 24.65 each			
Gateway Distriparks Limited	No of Shares (Lakhs)	1,200.00	1,200.00
	% Share holding	100.00%	100.00%

(III) Aggregative number of shares issued for consideration other than cash

No Equity shares has been issued for consideration other than cash in the last 5 years.

11(c) Reserve and surplus

Particulars	31 March 2021	31 March 2020
Securities premium reserve	132.05	132.05
Retained Earnings	8,622.22	8,879.35
Capital Redemption Reserve	11,500.00	11,500.00
Total	**20,254.27**	**20,511.40**

(i) Securities premium reserve

Particulars	31 March 2021	31 March 2020
Opening balance	132.05	132.05
Increase / (Decrease) during the year	-	-
Closing balance	**132.05**	**132.05**

(ii) Retained Earnings

Particulars	31 March 2021	31 March 2020
Opening balance	8,879.35	5,369.07
Net Profit for the year	11,810.57	9,134.70
Less : Dividends paid	12,067.70	4,665.43
Less : Dividend distribution tax	-	958.99
Closing balance	**8,622.22**	**8,879.35**

Cash dividends declared and paid :

Particulars	31 March 2021	31 March 2020
Interim Dividend II for the year ended on 31 March 2020: Rs. 1.50 per share on Equity Share and Rs. 1.75 per share on CCPS, declared in the Month of April 2020	6,034.53	-
Interim Dividend I for the year ended on 31 March 2021: Rs. 0.63 per share (31 March 2020: Rs. 1.16 per share) on Equity Share and Rs. 1.58 per share (31 March 2020: Rs. 1.94 per share) on CCPS	2,533.87	4,665.43
Dividend distribution tax (DDT) on above	-	958.99
Interim Dividend II for the year ended on 31 March 2021: Rs. 0.44 per share (31 March 2020: Rs. Nil per share) on Equity Share and Rs. 0.74 per share (31 March 2020: Rs. Nil per share) on CCPS	1,769.83	-
Interim Dividend III for the year ended on 31 March 2021: Rs. 0.43 per share (31 March 2020: Rs. Nil per share) on Equity Share and Rs. 0.72 per share (31 March 2020: Rs. Nil per share) on CCPS	1,729.47	-

(iii) Capital Redemption Reserve

Particulars	31 March 2021	31 March 2020
Opening balance	11,500.00	11,500.00
Addition during the year	-	-
Closing balance	**11,500.00**	**11,500.00**

Nature and purpose of other reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized only for the limited purpose in accordance with the provision of the Companies Act 2013.

Retained Earnings

Retained earnings represents all accumulated net income netted by all dividends paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Group.

Capital Redemption Reserve (CRR)

CRR is created out of profits on redemption of Zero Coupon Redeemable Preference Shares. The reserve is utilized only for the limited purpose in accordance with the provision of the Companies Act 2013.

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

FINANCIAL LIABILITIES

12 NON-CURRENT BORROWINGS

	As at 31 March 2021	As at 31 March 2020
Secured:		
Term Loans		
From Banks:		
Rupee Loan [Refer Note (a) and (b) below]	14,187.79	11,708.48
Vehicle Loans		
HDFC Vehicle Loan [Refer Note (c) below]	1,177.07	1,859.20
Total Non-Current Borrowings	15,364.86	13,567.68
Less: Current maturities of long term debt from bank	3,516.28	3,235.67
Less: Current maturities of HDFC vehicle loan	722.75	680.50
Less: Interest accrued but not due	89.94	90.69
Non-Current Borrowings	11,035.89	9,560.82

Nature of security and terms of repayment for secured borrowings

Nature of Security	Terms of Repayment
a) Term Loan from HDFC Bank amounting to Rs. 11,703.88 Lakhs (31-March-20 Rs. 11,627.58 Lakhs) is secured by first exclusive charge on all the assets (fixed and current, present and future) of the Group and Corporate Guarantee by Gateway Distriparks Limited, the Holding Company, for Term Loan1 and 2.	1) The Term Loan 1 from HDFC Bank is repayable in 24 quarterly instalments within 8 years with 2 years moratorium from the date of each drawdown. Term Loan of Rs. 3,500.00 Lakhs taken on April 15, 2015 is repayable in instalments of Rs. 145.83 Lakhs starting from July 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as 15 October 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. 2) The Term Loan 2 from HDFC Bank is repayable in 24 Quarterly instalments within 8 years with 2 years moratorium from the first drawdown. a) Term Loan of Rs. 1,000.00 Lakhs taken on December 22, 2014 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. b) Term Loan of Rs. 1,000.00 Lakhs taken on January 19, 2015 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. c) Term Loan of Rs. 1,500.00 Lakhs taken on January 11, 2016 is repayable in instalments of Rs. 62.50 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. d) Term Loan of Rs. 1,000.00 Lakhs taken on February 10, 2016 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. e) Term Loan of Rs. 1,000.00 Lakhs taken on March 15, 2016 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. f) Term Loan of Rs. 770.00 Lakhs taken on May 07, 2016 is repayable in instalments of Rs. 32.08 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. 3) The Term Loan 4 from HDFC Bank is repayable in 24 quarterly instalments within 8 years with 2 years moratorium from the date of each drawdown. a) Term Loan of Rs. 1,000.00 Lakhs taken on March 31, 2016 is repayable in instalments of Rs. 41.67 Lakhs starting from June 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 30 September 2024. Interest for current year is in the range of 7.50% - 8.55% p.a. b) Term Loan of Rs. 7,000.00 Lakhs taken on July 28, 2016 is repayable in instalments of Rs. 291.67 Lakhs starting from October 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 26 January 2025. Interest for current year is in the range of 7.50% - 8.55% p.a. c) Term Loan of Rs. 644.00 Lakhs taken on August 11, 2016 is repayable in instalments of Rs. 26.83 Lakhs starting from November 2018 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 09 February 2025. Interest for current year is in the range of 7.50% - 8.55% p.a. 4) The Term Loan 5 from HDFC Bank is repayable in 24 Quarterly instalments within 8 years with 2 years moratorium from the first drawdown. Term Loan of Rs. 10 Crore taken on August 11, 2016 is repayable in instalments of Rs. 41.67 Lakhs started from March 2017 with interest @ Base rate + 40bps. w.e.f 01 December, 2016, interest rate benchmark has been revised to MCLR + 25 bps, with maturity date as on 22 June 2023. Interest for current year is in the range of 7.50% - 8.55% p.a. 5) The Term Loan Facility No. 1 from HDFC Bank is repayable in 20 Quarterly instalments within 5 years and 6 months with moratorium till June 30, 2021. a) Term Loan of Rs. 710 Lakhs taken on January 30, 2021 is repayable in instalments of Rs. 35.53 Lakhs started from September 2021 with interest rate benchmark MCLR + 25 bps, with maturity date as on 30 June 2026. Interest for current year is in the range of 7.50% p.a.
b) Working Capital Term Loan from HDFC Bank amounting to Rs. 2,400 Lakhs (31-March-20 Rs. Nil) is secured by first exclusive charge on all the assets (fixed and current, present and future) of the Group	6) The working capital term loan under Guaranteed Emergency Credit Line from HDFC bank is repyable in 48 monthly installments within 5 years with 1 year moratorium from the date of drawdown i.e with maturity date as 02 January 2026. Term Loan of Rs. 2,400 Lakhs taken on January 2, 2021 is repayable in monthly installments of Rs. 50.00 Lakhs started from February 2022 with interest @ Reference rate - spread of 3.50% p.a. Interest for current year is 7.50% p.a.
c) Vehicle Finance Loan from HDFC Bank of Rs. 1,174.23 Lakhs (31-March-20 Rs. 1,854.72) is secured by way of hypothecation of trailers purchased against the same.	a) Vehicle Loan from HDFC Bank of Rs. 376.26 Lakhs taken on February 23, 2018 is repayable in 46 monthly installments of Rs. 9.64 lakhs starting from April 2018, with maturity date as January, 2022. b) Vehicle Loan from HDFC Bank of Rs. 1,796.07 Lakhs taken on November 2019 is repayable in 35 monthly instalments of Rs. 58,29,365 starting from January 2020, with maturity date as November, 2022.

Details of loan covenants disclosed in note 29.
The carrying amounts of financial and non-financial assets are charged against current and non-current borrowings are disclosed in note 36.

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

14 CURRENT BORROWINGS

	As at 31 March 2021	As at 31 March 2020
Secured		
Overdraft from bank*	1,911.13	3,015.15
	1,911.13	3,015.15

*Loan repayable on demand. Outstanding overdraft carry an average interest rate of ' MCLR + 25 bps' (31 March 2020: ' MCLR + 25 bps') and is secured by first exclusive charge on all assets.

15(a) CONTRACT LIABILITIES

Advances from Customers	802.67	636.30
Auction Surplus	55.89	55.89
	858.56	692.19
Current	858.56	692.19
Non-Current	-	-

The Group has entered into agreements with customers for rendering of specified services. The Group has identified these performance obligations and recognised the same as contract liabilities in respect of contracts where the Group has obligation to render specified services to a customer for which the Group has received consideration. Contract Liabilities also include surplus realisations from auction proceedings.

15(b) TRADE PAYABLES

-- Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note below]	117.36	115.48
-- Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	5,801.86	4,891.56
	5,919.22	5,007.04

Note:

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

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

16 OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of long term debt from Banks (Refer Note 12)	3,516.28	3,235.67
Current maturities of HDFC Vehicle Loan (Refer Note 12)	722.75	680.50
Retention Money/ Deposits from Creditors for Tangible Assets	26.71	15.31
Other Payables:		
-- Creditors for Tangible and Intangible Assets	14.18	99.70
-- Employees	19.84	256.53
-- Directors' remuneration (Net) (Refer Note 33)	1,064.63	636.21
Interest accrued but not due on borrowings	89.94	90.69
Unclaimed Dividend	7.53	4.25
	5,461.86	5,018.86

17 OTHER CURRENT LIABILITIES

Other Payables:		
-- Statutory dues	1,145.77	1,771.36
	1,145.77	1,771.36

18 GOVERNMENT GRANT

Government Grant (EPCG)		
Opening Balance	358.97	442.04
Addition	-	-
Less:- Income to be recognised in statement of P&L	83.07	83.07
Closing Balance	275.90	358.97
Current Grant (Income to be booked in 12 months)	70.94	83.07
Non- Current Grant	204.96	275.90

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GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021

(All amounts in Rupees in Lakhs, unless otherwise stated)

13 EMPLOYEE BENEFIT OBLIGATIONS

	As at 31 March 2021			As at 31 March 2020		
	Current	Non-current	Total	Current	Non-current	Total
- Leave Obligations	25.76	246.64	272.40	60.93	240.21	301.14
- Gratuity	21.24	506.24	527.48	19.47	464.84	484.31
	47.00	**752.88**	**799.88**	**80.40**	**705.05**	**785.45**

(i) Leave Obligation

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

(ii) Post Employment obligations

Gratuity

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

(iii) Defined Contribution Plans

The Group also has certain defined contribution plans such as Provident Fund and Employee State Insurance Corporation (ESIC). Contribution are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 123.54 Lakhs (31 March 20 Rs. 131.73 Lakhs).

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

Particulars	Present value of obligation
01 April 2019	430.91
Current service cost	54.64
Interest Cost	33.44
Total amount recognised in profit or loss	**88.08**
Remeasurements:	
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	(6.51)
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(13.89)
Actuarial (Gains) / Losses on Obligations - Due to Experience	7.06
The amount recognised in other comprehensive income	**(13.34)**
Benefit payments	(21.34)
31 March 2020	**484.31**

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

Particulars	Present value of obligation
01 April 2020	484.31
Current service cost	55.09
Interest Cost	33.08
Total amount recognised in profit or loss	**88.17**
Remeasurements:	
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	0.22
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(0.95)
Actuarial (Gains) / Losses on Obligations - Due to Experience	(37.33)
The amount recognised in other comprehensive income	**(38.06)**
Benefit payments	(6.94)
31 March 2021	**527.48**

The net liability disclosed relates to unfunded plans as follows:

Particulars	31 March 2021	31 March 2020
Present value of unfunded plans	527.48	484.31
Deficit of gratuity plan	**527.48**	**484.31**

(iv) Post employment benefits (Gratuity)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	31 March 2021	31 March 2020
Discount Rate	6.85%	6.83%
Salary growth rate	8.50%	8.50%
Attrition Rate	4 - 10%	4 - 9%

(v) Sensitivity Analysis

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

Particulars	Change in assumption		Change	Impact on defined benefit obligation				
				Increase in assumption		Change	Decrease in assumption	
	31 March 2021	31 March 2020		31 March 2021	31 March 2020		31 March 2021	31 March 2020
Discount Rate	1%	1%	Decrease by	(8.32%)	(8.74%)	Increase by	9.70%	10.21%
Salary growth rate	1%	1%	Increase by	9.45%	9.94%	Decrease by	(8.28%)	(8.68%)
Employee Turnover	1%	1%	Decrease by	(1.14%)	(1.24%)	Increase by	1.28%	1.40%

The above sensitivity analysis are based on a change in an assumption while holding all other assumption constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method(present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.
The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi) Defined benefit obligation and employers contributions

The defined benefit obligation shall mature after year end 31 March 2021 as follows:

Particulars	Amount
1st Following Year	21.24
2nd Following Year	47.25
3rd Following Year	48.28
4th Following Year	35.89
5th Following Year	95.90
Sum of 6 to 10 Years	121.88

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

19 REVENUE FROM OPERATIONS

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
(A) Revenue from Contracts with Customers			
Sale of Services			
-- Rail Transport		65,059.78	72,375.45
-- Road Transport		4,737.50	4,790.50
-- Container Storage, Handling and Ground Rent		11,017.57	9,372.85
Auction Income		519.01	126.10
Total Revenue from Contracts with Customers (A)		**81,333.86**	**86,664.90**
I. Geographical markets			
Sale of Services - India		81,333.86	86,664.90
Sale of Services - Outside India		-	-
Total Revenue from Contracts with Customers		**81,333.86**	**86,664.90**
II. Timing of Revenue Recognition			
Services Transferred at point in time		-	-
Services Transferred over time		81,333.86	86,664.90
Total Revenue from Contracts with Customers		**81,333.86**	**86,664.90**
III. Contract Balances			
Trade Receivables	6(b)	9,268.33	9,113.50
Contract Asset	6(b)	75.32	88.93
Contract Liabilities	15(a)	858.56	692.19

IV. Reconciliation of Revenue as per Contract Price and as recognized in the Statement of Profit and Loss

		Year ended 31 March 2021	Year ended 31 March 2020
Revenue as per Contract Price		83,386.91	90,268.86
Less: Discounts and Incentives		2,053.05	3,603.96
Total Revenue from Contracts with Customers		**81,333.86**	**86,664.90**

V. Performance Obligation

The performance obligation in respect of services provided being provided by the Group, are satisfied over a period of time and upon acceptance of the customer. Payment is generally due upon delivery of services and acceptance of customer. Payments are generally due within 30 to 90 days.

(B) Other Operating Revenues

		Year ended 31 March 2021	Year ended 31 March 2020
Rent		256.05	200.48
Total Other Operating Revenue (B)		**256.05**	**200.48**
Total Revenue from Operations (A + B)		**81,589.91**	**86,865.38**

20 OTHER INCOME

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income on financial asset measured at amortized cost			
- Interest on Fixed Deposit with Banks - Gross	6(e)	71.39	28.85
- Interest on Income Tax Refund		-	67.78
- Interest on Loans		102.10	-
Unwinding of Discount on Security Deposit	6(e)	3.74	4.23
Liabilities/ Provisions no longer required Written back		227.03	323.90
Sale of Scrap		35.53	19.86
Miscellaneous Income		187.51	242.41
Provision for Doubtful Ground Rent written back (Net)	6(b),19	-	11.46
Provision for Doubtful Debts written back (Net)	6(b)	8.79	6.07
Profit on sale of Fixed Assets	3	2.43	0.36
Gain on fair valuation of financial assets recognised at fair value through profit or loss	6(a)	-	181.22
Gain on Sale of Investment in Mutual Funds	6(a)	14.49	125.56
Foreign Exchange Gain		-	11.76
Government Grant	18	83.07	83.07
Total other income		**736.08**	**1,106.53**

The Government grants have been received for the purchase of certain items of property, plant and equipment. There are no fulfilled conditions or contingencies attached to these grants.

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

21 OPERATING EXPENSES

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Rail Transport (Refer Note (i) below)		44,135.30	53,325.77
Road Transport (Refer Note (ii) below)		5,842.34	5,548.86
Container Storage, Handling and Repairs (Refer Note (iii) below)		1,584.02	1,702.66
Auction Expenses		47.98	13.44
Total Operating Expenses		**51,609.64**	**60,590.73**
(i) Details of Rail Transport			
Rail Haulage Charges		41,959.65	50,970.54
Rake Hiring Charges		45.47	84.13
Incentives		701.97	855.03
Others		1,428.21	1,416.07
Total Rail Transport		**44,135.30**	**53,325.77**
(ii) Details of Road Transport			
Trip Expenses		3,292.71	2,741.64
Trailer Hiring Charges		879.56	1,114.57
Trailer Maintenance Charges		878.29	954.17
Trailer Drivers Salary		663.43	606.19
Others		128.35	132.29
Total Road Transport		**5,842.34**	**5,548.86**
(iii) Details of Container Storage, Handling and Repairs			
Equipment Handling Charges		529.32	513.80
Labour Charges		520.43	532.31
Surveyor Expenses		384.81	403.70
Internal Shifting Charges		50.48	111.59
Others		98.98	141.26
Total Container Storage, Handling and Repairs		**1,584.02**	**1,702.66**

22 EMPLOYEE BENEFITS EXPENSES

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, Allowances and Bonus		3,450.01	3,191.36
Contribution to Provident and Other Funds	13	123.54	131.73
Gratuity	13	88.17	88.08
Staff Welfare		44.61	87.98
Total Employee Benefits Expenses		**3,706.33**	**3,499.15**

23 DEPRECIATION AND AMORTISATION EXPENSES

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on Property, Plant and Equipment	3	5,548.72	5,577.07
Amortisation of Intangible Assets	4	260.00	260.00
Depreciation of Right-of-use assets	32(b)	2,135.12	1,925.44
Total Depreciation And Amortisation Expenses		**7,943.84**	**7,762.51**

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

		Notes	Year ended 31 March 2021	Year ended 31 March 2020
24	**FINANCE COSTS**			
	-- Interest on Term Loans	12	1,025.07	1,177.70
	-- Interest on Buyers' Credit	14	-	3.56
	-- Interest on Cash Credit (bank overdrafts)	14	85.51	70.12
	-- Interest on Vehicle Loans	12	133.01	63.92
	-- Interest on Lease Liabilities	32(b)	1,061.64	1,017.85
	Total Finance Costs		**2,305.23**	**2,333.15**
25	**OTHER EXPENSES**			
	Power and Fuel		1,197.27	1,078.00
	Rent		61.33	132.29
	Rates and Taxes		117.28	248.87
	Repairs and Maintenance			
	-- Plant and Equipment (including Yard Equipments)		598.77	561.24
	-- Buildings/ Yard		165.28	234.74
	-- Others		346.77	331.54
	Insurance		412.91	460.32
	Customs Staff Expenses		214.09	184.21
	Printing and Stationery		55.94	81.06
	Travelling and Conveyance		316.13	421.32
	Vehicle Maintenance Expenses		8.93	11.40
	Communication		76.68	88.18
	Advertisement and Business Promotion		105.90	119.52
	Corporate Social Responsibility [Refer Note 25(a)]		206.19	191.90
	Legal and Professional Charges		196.71	253.81
	Director Sitting Fees		55.00	41.00
	Security Charges		629.59	589.60
	Auditors' Remuneration [Refer note 25(b)]			
	-- Audit Fees		39.75	37.00
	-- Out of Pocket Expenses		0.16	1.24
	Provision for Doubtful Ground Rent (Net)	6(b),19	16.21	-
	Bank Charges		39.87	57.25
	Total Other Expenses		**4,860.76**	**5,124.49**
25(a)	**Corporate Social Responsibility expenditure**			
	Gross amount required to be spent as per section 135 of the Act		*202.87*	*191.74*
	Amount spent during the year on			
	Construction/ acquisition of any asset		206.19	180.90
	On purposes other than above		-	11.00
			206.19	**191.90**
	Details			
	Contribution to Bharat Lok Shiksha Parishad		-	11.00
	Rural Development Projects		206.19	180.90
	Total Corporate Social Responsibility expenditure		**206.19**	**191.90**
25(b)	**Details of payment to auditors**			
	Payment to auditors			
	Audit Fee		21.00	21.00
	Limited Review		11.00	16.00
	In other capacities			
	Other services (certification fees)		7.75	-
	Reimbursement of expenses		0.16	1.24
	Total payment to auditors		**39.91**	**38.24**

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

26 INCOME TAX EXPENSE

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Income tax Expenses		
Current Tax		
Current Tax on profits for the year	1,941.27	1,364.02
Adjustments in respect of current income tax of earlier year	(86.38)	(263.84)
Total Current tax expenses	**1,854.89**	**1,100.18**
Deferred Tax		
Decrease/ (Increase) in deferred tax assets	(1,670.06)	(2,060.80)
(Decrease)/ Increase in deferred tax liabilities	(57.15)	501.14
Total deferred tax expense/(benefit)	**(1,727.21)**	**(1,559.66)**
Income tax expenses	**127.68**	**(459.48)**
Disclosed under		
Statement of Profit and Loss	114.97	(463.93)
Other Comprehensive Income	12.71	4.45
	127.68	(459.48)
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	11,938.24	8,675.22
Total	**11,938.24**	**8,675.22**
Tax at the Indian tax rate of 33.384% (31-March-20: 33.384%)	**3,985.46**	**2,896.14**
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
-- Corporate social responsibility expenditure	68.83	64.06
-- Deferred Tax not created where it is expected to reverse within tax holiday period	1,496.36	258.90
-- Adjustments in respect of current income tax of previous year	(86.38)	(263.84)
--Income that is exempt from tax u/s 80IA of Income Tax Act, 1961	(5,286.43)	(3,490.70)
--Tax Benefit U/s 80 G	-	(1.25)
-- Other Items	(50.16)	77.21
Income Tax Expenses	**127.68**	**(459.48)**

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GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

27 FAIR VALUE MEASUREMENTS

27 (a) Financial instrument by category.

Particulars	Notes	As at 31 March 2021			As at 31 March 2020		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets							
Investment							
- Mutual Funds	6(a)	-	-	-	5,973.39	-	-
Loans	6(f)	-	-	2,500.00	-	-	-
Trade Receivable	6(b)	-	-	9,268.33	-	-	9,113.50
Cash and Cash equivalent	6(c)	-	-	8,118.97	-	-	448.52
Other Bank Balances	6(d)	-	-	7.53	-	-	4.25
Security Deposit	6(e)	-	-	358.27	-	-	354.03
Bank Deposits	6(e)	-	-	429.22	-	-	421.37
Advance recoverable in cash	6(e)	-	-	148.94	-	-	148.94
Other Financial Assets	6(e)	-	-	77.43	-	-	87.82
Total Financial Assets		-	-	**20,908.69**	**5,973.39**	-	**10,578.43**
Financial Liabilities							
Borrowings	12,14	-	-	17,275.99	-	-	16,582.83
Trade Payables	15(b)	-	-	5,919.22	-	-	5,007.04
Retention Money	16	-	-	26.71	-	-	15.31
Other Payables:							
-- Creditors for Tangible and Intangible Assets	16	-	-	14.18	-	-	99.70
-- Employees	16	-	-	19.84	-	-	256.53
-- Directors' commission	16	-	-	1,064.63	-	-	636.21
--Unclaimed Dividend	16	-	-	7.53	-	-	4.25
Total Financial Liabilities		-	-	**24,328.10**	-	-	**22,601.87**

(i) Fair Value hierarchy

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

Financial assets and labilities measured at fair value- recurring fair value measurement at 31-March-2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVPL					
Mutual Fund - Growth Plan	6(a)	-	-	-	-
Total Financial Assets		-	-	-	-

(All amounts in Rupees in Lakhs, unless otherwise stated)

Financial assets and labilities measured at amortised cost for which fair values are disclosed at 31-March-2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposit	6(e)	-	-	358.99	358.99
Total Financial Assets		-	-	**358.99**	**358.99**
Financial Liabilities					
Borrowings - Non Current (including current maturities)	12	-	-	15,368.06	15,368.06
Borrowings - Current	14	-	-	1,911.13	1,911.13
Total Financial Liabilities		-	-	**17,279.19**	**17,279.19**

Financial assets and labilities measured at fair value- recurring fair value measurement at 31-March-2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial instrument at FVPL					
Mutual Fund - Growth Plan	6(a)	5,973.39	-	-	5,973.39
Total Financial Assets		**5,973.39**	-	-	**5,973.39**

Financial assets and labilities measured at amortised cost for which fair values are disclosed 31-March-2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Security Deposit	6(e)	-	-	355.43	355.43
Total Financial Assets		-	-	**355.43**	**355.43**
Financial Liabilities					
Borrowings - Non Current (including current maturities)	12	-	-	13,573.00	13,573.00
Borrowings - Current	14	-	-	3,015.15	3,015.15
Total Financial Liabilities		-	-	**16,588.15**	**16,588.15**

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

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

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

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

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

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

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

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

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

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

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Security Deposit	358.27	358.99	354.03	355.43
Total Financial Assets	**358.27**	**358.99**	**354.03**	**355.43**
Financial Liabilities				
Borrowings - Non Current (including current maturities)	15,364.86	15,368.06	13,567.68	13,573.00
Borrowings - Current	1,911.13	1,911.13	3,015.15	3,015.15
Total Financial Liabilities	**17,275.99**	**17,279.19**	**16,582.83**	**16,588.15**

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

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

Significant Estimates

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

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

28 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, liquidity risk and credit risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and the Audit Committee. This process provides assurance to the Group's senior management that the Group's financial risk taking activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Group policies and Group risk objective. In the event of crisis caused due to external factors such as by the recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure that there is enough liquidity in these situations through internal and external source of funds.
This note explain the sources of risk which the entity is exposed to and how the entity manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalent, trade receivable, financial assets measured at amortised cost.	Ageing analysis, credit ratings	Diversification of bank deposit, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecast	Availability of bank credit lines and borrowings facilities (cash credit)
Market risk -foreign exchange	Foreign currency borrowings	Rolling cash flow forecast Sensitivity analysis	Availability of bank credit lines and borrowings facilities
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Monitoring and shifting benchmark interest rates*.
Market risk -Security price	Investment in Mutual Funds	Sensitivity analysis	Portfolio diversification

* There is no shifting of benchmark interest rates during the year.

(A) Credit Risk

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

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. Other factors of default are determined by considering the business environment in which the Group operates and other macro-economic factors. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

(i) Credit Risk Management

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

The Group's maximum exposure to credit risk as at 31 March 2021 and 31 March 2020 is the carrying value of each class of financial assets as disclosed in note 6.

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

Trade receivable and other financial assets

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

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

Out of the Gross Trade Receivables balance as at 31 March 2021 of Rs. 10,204.72 Lakhs (31-March-20: Rs. 10,058.69), the top 5 customers of the Group represent the balance of Rs. 5,530.48 Lakhs (31-March-20: Rs. 4,419.40 Lakhs).

The amount of Trade receivable outstanding as at 31 March 2021 & 31 March 2020 is as follows:

Particulars	0-30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	More than 365 Days	Total
31 March 2021	5,717.66	3,052.93	492.69	250.82	(99.48)	790.10	**10,204.72**
31 March 2020	5,137.12	3,159.64	693.25	286.85	7.97	773.86	**10,058.69**

(ii) Reconciliation of loss allowances provision - Trade receivable, Other financial assets and Contract assets

Particulars	Trade receivable	Other Financial Assets and Contract Assets
Loss Allowances on 01 April 2019	**951.26**	**81.22**
Changes in loss allowances	(6.07)	(11.46)
Loss Allowances on 31 March 2020	**945.19**	**69.76**
Changes in loss allowances	(8.80)	16.21
Loss Allowances on 31 March 2021	**936.39**	**85.97**

(B) Liquidity Risk

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

(i) Financing arrangements

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

Particulars	31 March 2021	31 March 2020
Floating Rate		
Expiring within one year (Bank overdraft, Term Loans and other facilities)	7,336.53	4,986.62
Expiring beyond one year (Term loans)	-	-
Total	7,336.53	4,986.62

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

The working capital position of the Group is given below:

Particulars	31 March 2021	31 March 2020
Cash & Cash Equivalents	8,118.97	448.52
Investments in Mutual Funds	-	5,973.39
Total	**8,118.97**	**6,421.91**

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(All amounts in Rupees in Lakhs, unless otherwise stated)

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities	Repayable on demand	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
31 March 2021 (Non-Derivative)					
Borrowings	1,911.13	5,247.44	5,189.57	7,051.81	19,399.95
Lease liabilities	-	2,697.01	2,298.30	9,905.61	14,900.92
Trade payables	-	5,919.22	-	-	5,919.22
Other Financial Liabilities	-	1,132.89	-	-	1,132.89
Total Non - derivative liabilities	**1,911.13**	**14,996.56**	**7,487.87**	**16,957.42**	**41,352.98**

Contractual maturities of financial liabilities	Repayable on demand	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
31 March 2020 (Non-Derivative)					
Borrowings	3,015.15	4,909.85	4,613.93	6,053.75	18,592.68
Lease liabilities	-	2,735.73	2,697.01	12,203.92	17,636.66
Trade payables	-	5,007.04	-	-	5,007.04
Other Financial Liabilities	-	1,012.00	-	-	1,012.00
Total Non - derivative liabilities	**3,015.15**	**13,664.62**	**7,310.94**	**18,257.67**	**42,248.38**

(C) Market Risk

(i) Foreign currency risk

The Group's operations are such that all activities are confined to India. Hence, there is no exposure to foreign currency risk.

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(All amounts in Rupees in Lakhs, unless otherwise stated)

(ii) Cash Flow and fair value interest rate risk

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

(a) Interest Rate risk exposure

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

Particulars	31 March 2021	31 March 2020
Variable Rate Borrowings	14,103.88	11,627.58
Fixed Rate Borrowings	1,174.23	1,854.72
Total Borrowings	**15,278.11**	**13,482.30**

(b) Sensitivity

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

Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Interest Rate - Increase by 100 basis points*	77.30	86.80	-	-
Interest Rate - Decrease by 100 basis points*	(77.30)	(86.80)	-	-

Particulars (Foreign Currency Loans)	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Interest Rate - Increase by 20 basis points*	-	-	-	-
Interest Rate - Decrease by 20 basis points*	-	-	-	-

* Holding all other variable constant

(iii) Price risk

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

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

Particulars	Impact on profit after tax		Impact on other components of equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Net Asset Value - Increase 10% (31 March 2020 10%)*	-	388.60	-	-
Net Asset Value - Decrease 10% (31 March 2020 10%)*	-	(388.60)	-	-

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

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

GATEWAY RAIL FREIGHT LIMITED

Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021

(All amounts in Rupees in Lakhs, unless otherwise stated)

29 CAPITAL MANAGEMENT

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

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

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Group monitors capital on the basis gearing ratio. The Group's policy is to keep the gearing ratio between 0% and 20%. Gearing ratio is Net Debt (total borrowings net of cash and cash equivalents) divided by Total Equity plus net debts. The capital components of the Group are as given below:

Particulars	31 March 2021	31 March 2020
Total Equity	**69,984.30**	**70,241.43**
Total Borrowings (excluding interest accruals)	15,278.11	13,482.31
Cash & Cash Equivalents	(8,118.97)	(448.52)
Net debt	**7,159.14**	**13,033.79**
Equity and net debts	**77,143.44**	**83,275.21**
Gearing ratio	**9%**	**16%**

(i) Loan covenants

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

Total Outside Liabilities to Total Net worth should be maximum 1
Minimum DSCR of 1.13 times
Fixed Asset Cover ratio should be greater than 1.9 times
Financial projections to be met with 10% variations

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

(ii) Dividends

Particulars	31 March 2021	31 March 2020
Interim Dividend II for the year ended on 31 March 2020: Rs. 1.50 per share on Equity Share and Rs. 1.75 per share on CCPS, declared in the Month of April 2020	6,034.53	-
Interim Dividend I for the year ended on 31 March 2021: Rs. 0.63 per share (31 March 2020: Rs. 1.16 per share) on Equity Share and Rs. 1.58 per share (31 March 2020: Rs. 1.94 per share) on CCPS	2,533.87	4,665.43
Dividend distribution tax (DDT) on above	-	958.99
Interim Dividend II for the year ended on 31 March 2021: Rs. 0.44 per share (31 March 2020: Rs. Nil per share) on Equity Share and Rs. 0.74 per share (31 March 2020: Rs. Nil per share) on CCPS	1,769.83	-
Interim Dividend III for the year ended on 31 March 2021: Rs. 0.43 per share (31 March 2020: Rs. Nil per share) on Equity Share and Rs. 0.72 per share (31 March 2020: Rs. Nil per share) on CCPS	1,729.47	-

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

(All amounts in Rupees in Lakhs, unless otherwise stated)

33 RELATED PARTY TRANSACTIONS

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

(A) **Holding Company**
The Group is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest
			31 March 2021
Gateway Distriparks Limited (GDL)	Holding Company	India	99.930%

(B) **Jointly Controlled Entity**

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

(C) **Subsidiary Companies of Holding Company**
Gateway East India Private Limited
Gateway Distriparks (Kerala) Limited#

There are no transaction with these Company during the year

(D) **Entities in which directors have control/ significant influence**
Newsprint Trading and Sales Corporation (NTSC)
Perfect Communications Private Limited
Snowman Logistics Limited
Prism International Private Limited
Star Cineplex Private Limited
Rocksolid Enterprises Private Limited

(E) **Directors of the Company**
(i) Executive Directors
Mr. Prem Kishan Dass Gupta (Chairman and Managing Director)
Mr. Samvid Gupta (Joint Managing Director)
Mr. Sachin Surendra Bhanushali (Chief Executive Officer)

(ii) Independent and Non-Executive Directors
Mr. Ishaan Gupta (Non-Executive Director)
Mrs. Mamta Gupta (Non-Executive Director)
Mr. Arun Kumar Gupta (Independent Director)
Mr. Anil Aggarwal (Independent Director) w.e.f18 April 2020

Particulars	31 March 2021	31 March 2020
(i) Executive Directors (Key Managerial Personnel)		
Remuneration	222.77	217.14
Post-employment gratuity and leave benefits	1.06	6.71
Director Sitting Fees	23.00	18.00
Commission	1,050.00	700.00
Dividend	0.003	0.001
(ii) Non Executive and Independent Director		
Director Sitting Fees	32.00	23.00
Commission	120.00	90.00
Total compensation	**1,448.83**	**1,054.85**

(F) **Relatives of Directors**
Mr. Amod Sachin Bhanushali

Particulars	31 March 2021	31 March 2020
Remuneration	5.50	3.40
Total	**5.50**	**3.40**

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

AY RAIL FREIGHT LIMITED

nexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021

nts in Rupees in Lakhs, unless otherwise stated)

ansactions entered into with Parties referred to in Category A, B, C and D

Sr. No.	Particulars	Gateway Distriparks Limited		Container Gateway Limited		Snowman Logistics Limited		Newsprint Trading & Sales Corporation		Gateway East India Private Limited		Perfect Communications Private Limited		Prism International Private Limited		Star Cineplex Private Limited		Rockland Enterprises Private Limited		Total	
		Year ended		Year ended		Year ended		Year ended		Year ended		Year ended		Year ended		Year ended		Year ended		Year ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1	Payment of Dividend	12,058.70	4,661.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,058.70	4,661.05
2	Rendering of Services (excluding tax)	2.40	-	-	-	6.08	70.70	4.00	-	3.00	-	4.00	-	0.80	-	0.80	-	0.80	-	21.88	70.70
3	Reimbursement of KMP remuneration (excluding tax)	32.23	42.96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32.23	42.96
4	Receiving of Operating Services (excluding tax)	2.65	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.65	1.20
5	Payment of Loan	2,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500.00	-
6	Receiving of Interest on Loan	102.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102.10	-
7	Reimbursement of Other Administrative expenses incurred on their behalf	-	-	0.90	1.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.90	1.58
8	Reimbursement of Other Administrative expenses incurred on our behalf	4.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.66	-
		14,702.74	4,706.11	0.90	1.58	6.08	70.70	4.00	-	3.00	-	4.00	-	0.80	-	0.80	-	0.80	-	14,723.11	4,778.39

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

Sr. No.	Particulars	Gateway Distriparks Limited*		Container Gateway Limited		Snowman Logistics Limited		Key Management personnel / Directors		Total	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
1	Advance Recoverable	-	45.00	6.84	5.95	0.88		-	-	7.72	50.95
2	Remuneration Payable to Executive Directors (net of TDS)	-	-	-	-			953.63	564.75	953.63	564.75
3	Commission Payable to Non-Executive and Independent Directors (net of TDS)	-	-	-	-			111.00	71.46	111.00	71.46
4	Post employment benefits	-	-	-	-			78.77	77.71	78.77	77.71
	Total	-	45.00	6.84	5.95	0.88	-	1,143.40	713.92	1,151.12	764.87

ans to/from related parties

ring Current Year Group has given Loan of Rs. 2,500 Lakhs to Gateway Distriparks Limited (31-March-20: Rs. Nil).

rms and Conditions

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

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

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

S. R. BATLIBOI & CO. LLP ★ GURUGRAM ★

30 SEGMENT INFORMATION:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Group. The Group has identified one reportable segment "Inter-Modal Logistics" i.e. based on the information reviewed by CODM. Thus, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities is as reflected in these financial statement as of and for the year ended March 31, 2021.

(a) Description of segments and principal activities

The Group is engaged in business of inter-modal logistics. It provides container logistics solution between major Indian ports and Inland Container Depots (ICD) by providing rail services for Export, Import and Domestic containerised cargo, integrated with road transportation, transit and bonded warehousing, refrigerated container facilities and other value added services.

(b) Segment revenue/results

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

Segment - Inter-Modal Logistics	31 March 2021 Revenue from external customers	31 March 2020 Revenue from external customers
Segment revenue	81,589.91	86,865.38
Segment results		
Profit before Tax	11,900.19	8,661.88
Less: Tax expenses	114.97	(463.93)
Profit for the year	11,785.22	9,125.81

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

Revenue from external customers	31 March 2021	31 March 2020
India	81,589.91	86,865.38
Outside India	-	-
Total	**81,589.91**	**86,865.38**

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

Segment assets and Segment liabilities	31 March 2021	31 March 2020
Segment assets - India	109,320.54	109,108.13
Segment liabilities - India	39,336.24	38,866.70

31 CONTIGENT LIABILITIES AND CONTINGENT ASSESTS

Contingent Liabilities

The Group had guarantees and contingent liabilities at March 31, 2021 in respect of the following:

Particulars	31 March 2021	31 March 2020
Bank Guarantees and Continuity Bonds executed in favour of The President of India through the Commissioners of Excise and Customs, Sales Tax and Gatx India Private Limited	350,048.23	385,748.23
Claims made by the parties not acknowledged as debts:		
- Container Corporation of India [Refer Note (i) below]	Not Ascertainable	Not Ascertainable
- Northern Railway [Refer Note (ii) below]	148.94	148.94

(i) The Group and its Holding Group (Joint venturer till 29 March 2019 and the holding thereafter), Gateway Distriparks Limited ("GDL") are involved in an arbitration proceeding with Container Corporation of India Limited ("Concor") in respect of agreements entered into by the parties for operation of container trains from the Inland Container Depot and Rail Siding of the Group at Garhi Harsaru, Gurgaon. Concor has raised claims on the Group and GDL on various issues in respect to the aforesaid agreements. Based on legal opinion, the Management has taken a view that these claims are at a preliminary stage and the question of maintainability of the alleged disputes as raised by Concor under the aforesaid agreements is yet to be determined and are not sustainable. Pending conclusion of the arbitration, the parties are maintaining "status quo" in respect of the operations at Garhi Harsaru, Gurgaon.

(ii) The Railway Authorities had deducted Rs. 148.94 Lakhs towards Siding & Shunting charges for financial year 2010-11, however letter has been received in April'13 from Railway Authorities that the deduction made by Railways is not justified and will be refunded back to the Group. However till now the Group has not received the money, hence the same has been disclosed as 'Claims made by the parties not acknowledged as debts'. The matter is under arbitration.

(iii) The Group had accounted for the benefits available under Service Exports from India Scheme (SEIS) amounting to Rs.10,068.78 lakhs for the financial years 2015-16 to 2017-18. During the year, the Group had received a notice dated November 11, 2019 from Additional Director General of Foreign Trade [ADGFT] questioning SEIS benefits for the aforesaid financial years.

The Group had submitted its response dated January 31, 2020 to ADGFT and backed by legal opinion, believes that the SEIS scrips for aforesaid financial years were correctly availed by the Group in terms of the provisions of FTP 2015-20 and accordingly no provision has been made in the books of accounts.

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

GATEWAY RAIL FREIGHT LIMITED
Notes annexed to and forming part of the Consolidated Financial Statements for the year ended 31 March 2021
(All amounts in Rupees in Lakhs, unless otherwise stated)

32 COMMITMENTS:

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

Particulars	31 March 2021	31 March 2020
Property, plant and equipment: Net of Capital Advance of Rs. 196.44 Lakhs (31-March-20: Rs. Nil)	908.88	461.45

b) Leases:

Right-of-Use Assets (ROU)

Particulars	Rakes	Land	Building	Terminal	Total
As at 01 April 2019	4,779.02	3,929.18	-	979.16	9,687.36
Additions during the year	3,306.54	80.03	959.76	-	4,346.33
Depreciation Expense	1,017.32	534.48	17.58	356.06	1,925.44
As at 31 March 2020	**7,068.24**	**3,474.73**	**942.18**	**623.10**	**12,108.25**
Additions during the year	-	-	-	-	-
Depreciation Expense	1,122.27	550.15	106.64	356.06	2,135.12
As at 31 March 2021	**5,945.97**	**2,924.58**	**835.54**	**267.04**	**9,973.13**

(i) Depreciation has been charged to ROU Assets on a straight line method based on the lease term and is included under depreciation and amortization expense in the statement of Profit and Loss.

Lease Liabilities

Particulars	31 March 2021	31 March 2020
Opening Balance	12,656.86	9,687.36
Additions during the year	-	4,306.34
Accretion of Interest	1,061.64	1,017.85
Payment of lease liabilities	2,735.73	2,354.69
Closing Balance	**10,982.77**	**12,656.86**
Current	**1,793.13**	**1,674.09**
Non-current	**9,189.64**	**10,982.77**

(i) The Lease Liability is recognised on various Lands, Buildings and Rakes taken on lease by the Group.
(ii) The Group recognized rent expense from short-term leases of Rs. 61.33 lakhs for the year ended 31 March 2021 (31 March 2020: Rs. 132.29 Lakhs)
(iii) The weighted average incremental borrowing rate applied to lease liabilities is 8.95% p.a.

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020 on an undiscounted basis:

Particulars	31 March 2021	31 March 2020
Less than one year	2,697.01	2,735.73
One to five years	7,796.80	8,765.39
More than five years	4,407.11	6,135.53
Total	**14,900.92**	**17,636.65**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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34 EARNINGS PER SHARE

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

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

Particulars	31 March 2021	31 March 2020
Profit attributable to the equity holders of the Group used in calculating basic earnings per share	11,785.22	9,125.81

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

Particulars	31 March 2021	31 March 2020
Weighted average number of ordinary equity shares	2,015.00	2,015.00
Weighted average number of ordinary equity shares to be issued upon conversion of compulsory convertible preference shares	2,006.96	2,006.96
Total Number of shares used as the denominator for calculating earning per share	4,021.96	4,021.96

(c) Basic and Diluted earnings per share

Particulars	31 March 2021	31 March 2020
Total Basic and Diluted earnings per share attributable to the equity holders of the Group (Rs.)	2.93	2.27

(d) Information concerning the classification of securities

Compulsorily Convertible Preference Shares (CCPS): There are 120,000,000 Compulsory Convertible Preference Shares of Rs. 24.65 each. These CCPS holders shall be entitled to non-cumulative dividend of 0.0001% of the face value of CCPS, as and when declared by the Group's Board prior to and in preference to the payment of any dividend on the Equity Shares. The Holders of CCPS shall also be entitled to participate in dividends issued by the Group over and above the Preferred Dividend on an 'as-if converted' basis. These CCPS represents 2,006.96 Lakhs underlying equity shares which will be issued to the holders on the date of conversion.

35 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

36 ASSETS CHARGED AS SECURITY

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

Particulars	Notes	31 March 2021	31 March 2020
Current Assets			
Financial Assets			
First Charge			
- Contract Assets	6(b),19	75.32	88.93
- Current Investments	6(a)	-	5,973.39
- Loans	6(f)	2,500.00	-
- Trade Receivables	6(b)	9,268.33	9,113.50
- Cash and Cash Equivalents	6(c)	8,118.97	448.52
- Bank Balances other than above	6(d)	7.53	4.25
- Others Financial Assets	6(e)	499.77	171.09
- Others Current Assets	10	875.46	482.98
Total Current Assets charged as Security		**21,345.38**	**16,282.66**
Non-Current Assets			
First Charge			
Property, Plant and Equipment	3	70,630.47	75,156.90
Capital Work-in-Progress	3(a)	1,143.12	542.21
Other intangible assets	4	1,786.95	2,046.95
Other Financial Assets	6(e)	514.09	841.07
Income tax assets (Net)	9	334.84	515.99
Other Non-current Assets	8	741.09	576.22
Total Non-Current Assets charged as Security		**75,150.56**	**79,679.34**
Total Assets charged as Security		**96,495.94**	**95,962.00**

S. R. BATLIBOI & CO. LLP GURUGRAM

37 INTERESTS IN OTHER ENTITIES

(a) Individually immaterial joint venture

Gateway Rail Freight Limited has interest in one number of individually immaterial joint venture that is accounted for using equity method. The joint venture as at 31 March 2021, in the opinion of the directors, is immaterial. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is same as the proportion of voting rights held.

Name of the entity	Place of business	% of Ownership interest	Relationship	Accounting Method	Quoted Fair Value		Carrying Amount	
					31 March 2021	31 March 2020	31 March 2021	31 March 2020
Container Gateway Limited	India	51.00%	Joint Venture	Equity Method	5.10	5.10	-	-
Total Equity Accounting Investments					**5.10**	**5.10**	-	-

(b) Summarised Balance Sheet

Particulars	31 March 2021	31 March 2020
Current Assets		
Cash and cash equivalents	0.31	0.26
Other Assets	0.04	0.05
Total Current Assets	**0.35**	**0.31**
Non-Current Assets		
Other Financial Assets	8.40	7.90
Total Non-Current Assets	**8.40**	**7.90**
Current Liabilities		
Financial Liabilities	7.19	6.29
Other Liabilities	0.02	0.02
Total Current Liabilities	**7.21**	**6.31**
Non-Current Liabilities		
Financial Liabilities	-	-
Other Liabilities	-	-
Total Non-Current Liabilities	-	-
Net Assets	**1.54**	**1.90**

(c) Summarised Statement of Profit and Loss

Particulars	31 March 2021	31 March 2020
Revenue	-	-
Interest Income	0.54	0.51
Other Expenses	0.90	1.23
Interest Expenses	-	-
Profit/(loss) from continuing operations	(0.36)	(0.72)
Other comprehensive income	-	-
Total comprehensive income	**(0.36)**	**(0.72)**

Particulars	31 March 2021	31 March 2020
Share of profits from joint ventures	-	-
Total share of profits from associates and joint ventures	-	-

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(All amounts in Rupees in Lakhs, unless otherwise stated)

38 **DUES TO MICRO AND SMALL ENTERPRISES**

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

Particulars	31 March 2021	31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier - Principal amount	117.36	115.48
- Interest thereon	-	-
The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	-	-
The amount of interest accrued and remaining unpaid.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor.	-	-

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

39 On account of COVID-19 pandemic, nationwide lockdown was imposed by Government of India effective March 24, 2020 which extended for a couple of months in varied parts of the country and in varied forms. At the time of finalisation of these financial statements the severity of the pandemic is peaking day by day across the country and on account of which various state Governments have started imposing lockdown like restrictions in various parts of the country. Consequent to these uncertainties caused due to continuation of pandemic, the Group has done a detailed assessment for carrying amount of financial and non-financial assets and does not anticipate any impairment to these assets. Also, the management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due. The situation though is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of COVID-19 and due to which the Group will continue to closely monitor any material changes to future economic conditions, if any. Considering that the Group is in the business of providing inter-modal logistics services and is operating Inland Container Depot (ICD) which is considered under essential Services and the management believes that the impact of this outbreak on the business and financial position of the Group will not be significant.

40 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

41 The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.

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

per Vishal Sharma
Partner
Membership No. : 096766

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

Place: Faridabad
Date: 26 April 2021

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

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

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

Nandan Chopra
Chief Financial Officer and Company Secretary

Place: New Delhi
Date: 26 April 2021