PROSPECTUS
Dated March 15, 2005
Please read Section 60B of the Companies Act, 1956
100% Book Building Issue

GATEWAY
DISTRIPARKS LTD.

Gateway Distriparks Limited

(Incorporated on April 06, 1994, under the Companies Act, 1956 and obtained Certificate of Commencement of Business on October 24, 1994)
Registered Office: R-215, First Floor, Greater Kailash Part I, New Delhi - 110048. Tel +91-11-5162 0000 Fax +91-11-5163 4588
Mumbai Office: Container Freight Station Sector 6, Dronagiri, Taluka Uran, District Raigad, Navi Mumbai - 400 707 Telephone No. +91-22-2747 0520
Fax No. +91-22-2747 1854. E-mail: gdl@gateway-distriparks.com Website: www.gateway-distriparks.com

PUBLIC OFFER OF 21,000,000 EQUITY SHARES OF RS. 10 EACH AT A PRICE OF RS. 72 PER EQUITY SHARE FOR CASH AGGREGATING RS. 1,512 MN CONSISTING OF A FRESH ISSUE OF 11,000,000 EQUITY SHARES OF RS. 10 EACH AT A PRICE OF RS. 72 FOR CASH AGGREGATING RS. 792 MN AND AN OFFER FOR SALE OF 10,000,000 EQUITY SHARES OF RS. 10 EACH AT A PRICE OF RS. 72 FOR CASH AGGREGATING RS. 720 MN (COLLECTIVELY REFERRED TO AS THE "OFFER").

THE OFFER WOULD CONSTITUTE 28% OF THE FULLY DILUTED POST OFFER PAID-UP CAPITAL OF GATEWAY DISTRIPARKS LIMITED (THE "COMPANY" / "GDL").

OFFER PRICE OF RS. 72 PER EQUITY SHARE OF FACE VALUE RS. 10 EACH

In case of revision in the Price Band, the Bidding/Offer Period will be extended for three additional days after revision of the Price Band subject to the Bidding /Offer Period not exceeding 13 days. Any revision in the Price Band and the revised Bidding/Offer Period, if applicable, will be widely disseminated by notification to The Stock Exchange, Mumbai, ("BSE") and the National Stock Exchange of India Limited ("NSE") by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate.

The Offer is being made through a 100% Book Building Process wherein not more than 50% of the Offer shall be allocated on a discretionary basis to Qualified Institutional Buyers, not less than 25% of the Offer shall be allocated to Non-Institutional Investors and not less than 25% of the Offer shall be allocated to Retail Individual Investors on a proportionate basis, subject to valid bids being received within the price band.

RISK IN RELATION TO FIRST ISSUE

This being the first Offer of the Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10 and the Offer Price is 7.2 times the face value. The Offer Price (as determined by the Company and Selling Shareholders in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares by way of Book Building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offering. For taking an investment decision, investors must rely on their own examination of the Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the statements in Risk Factors beginning on page i of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to GDL and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares Offered through this Prospectus is proposed to be listed on the BSE (Designated Stock Exchange) and NSE. The Company has received in-principle approval from these Stock Exchanges for listing of the Equity Shares pursuant to letters dated December 29, 2004 AND January 17, 2005 respectively.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
IL&FS INVESTSMART	
IL&FS INVESTSMART LIMITED	**INTIME SPECTRUM REGISTRY LIMITED**
The ILFS Financial Centre, Plot C-22,	C-13, Pannalal Silk Mills Compound
G Block, Bandra-Kurla Complex,	Kantilal Maganlal Industrial Estate
Bandra (E), Mumbai 400 051	LBS Marg Bhandup (W) Mumbai – 400 078
Tel: +91-22-2653 3333	Tel : +91-22-5555 5491
Fax: +91-22-2653 3075	Fax: +91-22-5555 5499
Email: gateway.ipo@investsmartindia.com	Email : gateway@intimespectrum.com

ISSUE PROGRAMME	
BID/OFFER OPENED ON : MARCH 09, 2005	**BID/OFFER CLOSED ON : MARCH 14, 2005**

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ABBREVIATIONS AND DEFINITIONS

ABBREVIATIONS

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
BSE	The Stock Exchange, Mumbai
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Ltd.
CFS	Container Freight Station
CHA	Custom House Agent
CIDCO	City and Industrial Development Corporation of Maharashtra Ltd.
CWCL	Continental Warehousing Corporation Limited
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization.
EGM	Extraordinary General Meeting
EPS	Earnings Per Equity Share
ESOP	Employee Stock Option Plan of the Company
FCL	Full Container Load
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999
FEU	Forty Feet Equivalent Unit
FIPB	Foreign Investment Promotion Board, Ministry of Finance and Company Affairs, GoI
FY / Fiscal	Financial year ending March 31
GAAP	Generally Accepted Accounting Principles
GEIPL	Gateway East India Pvt. Limited
GIR Number	General Index Registry Number
GoI	Government of India
H&T	Handling and Transportation
HUF	Hindu Undivided Family
ICD	Inland Container Depot
IDFC	Infrastructure Development Finance Company Limited
IIL	IL & FS Investsmart Limited
IMC	Inter-Ministerial Committee
IPO	Initial Public Offering
IWCSPL	Indev Warehouse and Container Services Private Limited

JNP	Jawaharlal Nehru Port comprising of JNPCT and NSICT.
JNPCT	Jawaharlal Nehru Port Container Terminal
JNPT	Jawaharlal Nehru Port Trust
Kotak / KMCC	Kotak Mahindra Capital Company Limited
KSPLL	KSP Logistics Limited
LCL	Less than Container Load
NAV	Net Asset Value
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Ltd.
NSE	National Stock Exchange of India Ltd.
NSICT	Nava Seva International Container Terminal
O&M	Operations and Maintenance
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profits after taxation
PHL	Parameswara Holdings Limited
PIPL	Prism International Private Limited
Railways	The Indian Railways.
RoC	Registrar of Companies, NCT of Delhi and Haryana
RONW	Return on Net Worth
TCL	Thakral Corporation Limited
TEU	Twenty Feet Equivalent Unit
TIHML	Thakral Investments Holding (Mauritius) Limited
WIPL	Windmill International Pte. Limited
4PL	Fourth Party Logistics

GATEWAY DISTRIPARKS LTD.

DEFINITIONS

Term	Description
"GDL" or "the Company" or "Gateway Distriparks Limited" or "Issuer Company"	Gateway Distriparks Limited, a public limited company incorporated under the Companies Act, 1956.

OFFER RELATED TERMS

Term	Description
Allotment	Unless the context otherwise requires, issue / transfer of equity shares pursuant to this Offer.
Aranda	Aranda Investments (Mauritius) Pte Limited, a company incorporated under the laws of Mauritius and having its principal place of business at 4th Floor, Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius (a wholly owned subsidiary of Temasek Holdings Pte. Ltd.).
Articles/Articles of Association/ AoA	Articles of Association of Gateway Distriparks Limited.
Auditors	The statutory auditors of the Company- Price Waterhouse.
Banker(s) to the Offer	HDFC Bank Limited, ICICI Bank Limited and Kotak Mahindra Bank Limited.
Bid	An offer made during the Bidding/Offer Period by a prospective investor to subscribe to Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Offer.
Bid /Offer Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Offer, which shall be notified in a widely circulated English national newspaper and Hindi national newspaper and a regional language daily circulated at the place where the registered office of the Company is situated.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase the Equity Shares of the Company and which will be considered as the application for the Offer of Equity Shares in terms of the Red Herring Prospectus.
Bid / Offer Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Offer, which shall be the date notified in an English national newspaper and a Hindi national newspaper and a regional language daily circulated at the place where the registered office of the Company is situated.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus.
Bidding / Offer Period	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Board of Directors / Board	The Board of Directors of Gateway Distriparks Limited or a committee thereof.
Book Building Process	Book building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Offer is made.
BRLMs/ Book Running Lead Managers	Book Running Lead Managers to the Offer, in this case being IL&FS Investsmart Limited and Kotak Mahindra Capital Company Limited (Collectively being referred to as BRLMs).

BSE	The Stock Exchange, Mumbai.
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted.
Mumbai Office	Mumbai Office means the corporate office of the Company located at Container Freight Station Sector 6, Dronagiri, Taluka Uran, District Raigad, Navi Mumbai - 400 707.
Companies Act	The Companies Act, 1956 as amended from time to time.
Cut-off	Cut-off refers to any price within the Price Band. A Bid submitted at Cut-off is a valid Bid at all price levels within the Price Band.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Offer Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot/transfer Equity Shares to successful bidders.
Designated Stock Exchange	Designated Stock Exchange shall mean The Stock Exchange, Mumbai (BSE).
Director(s)	Director(s) of Gateway Distriparks Limited unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value Rs. 10 each unless otherwise specified in the context thereof.
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement entered into amongst the Company, the Selling Shareholders, the Registrar, the Escrow Collection Bank(s), the BRLMs and the Syndicate Members for collection of the Bid Amounts and refunds (if any) of the amounts collected to the Bidders.
Escrow Collection Bank(s)	The banks at which the Escrow Account of the Company will be opened and which will act as such in terms of the Red Herring Prospectus and the Escrow Agreement.In this case being HDFC Bank Limited, ICICI Bank Limited and Kotak Mahindra Bank Limited.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under.
FII	Foreign Institutional Investor (as defined under FEM (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India.
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.

Floor Price	The lower end of the Price Band, below which the Offer Price will not be finalised and below which no Bids will be accepted.
Fresh Issue	Issue of 11,000,000 new Equity Shares by the Company.
I.T. Act	The Income-Tax Act, 1961, as amended from time to time.
IRDA	The Insurance Regulatory and Development Authority, constituted under the Insurance Regulatory and Development Authority Act, 1999.
Indian GAAP	Generally accepted accounting principles in India.
IIL	IL&FS Investsmart Limited
Kotak	Kotak Mahindra Capital Company Limited
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 0% to 100% of the Bid Amount.
Memorandum / Memorandum of Association/ MoA	The Memorandum of Association of Gateway Distriparks Limited.
Non Residents	Non-Resident is a person resident outside India.
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers for this Offer or Retail Individual Bidders who have bid for an amount more than Rs 50,000.
Non-Institutional Portion	The portion of the Offer being a minimum of 5,250,000 mn Equity Shares of face value of Rs. 10 each available for allocation to Non-Institutional Bidders.
NRI / Non-Resident Indian	Non-Resident Indian, is a person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NTSC Group	PIPL and Mr. Prem Kishan Gupta
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Offer for Sale	Offer for sale of upto 10,000,000 Equity Shares by the Selling Shareholders.
Offer Price	Rs. 72 per Equity Share
Offer/ Offering/ Public Offer	Comprises Fresh Issue by GDL and Offer for Sale by Selling Shareholders.
Pay-in Date	The last date specified in the CAN sent to Bidders.
Pay-in-Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Offer Opening Date and extending until the Bid/Offer Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Offer Opening Date and extending until the closure of the Pay-in Date.
Price Band	Being the price band of a minimum price (Floor Price) of Rs. 60 and the maximum price (Cap Price) of Rs. 72 and includes revisions thereof.

Pricing Date	The date on which the Company in consultation with the BRLMs finalise the Offer Price.
Promoters	PHL, TCL, TIHML, KSPLL, WIPL, PIPL, and Mr. Prem Kishan Gupta.
Prospectus	The Prospectus, filed with the RoC containing, *inter alia,* the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information.
Public Offer Account	Account opened with the Banker(s) to the Offer to receive monies from the Escrow Account for the Offer on the Designated Date.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with IRDA, provident funds with minimum corpus of Rs. 250 mn and pension funds with minimum corpus of Rs. 250 mn.
RBI	The Reserve Bank of India constituted under the Reserve Bank of India Act, 1934.
Red Herring Prospectus	The Red Herring Prospectus dated March 1, 2005 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are issued and size of the Offer.The Red Herring Prospectus was filed with the RoC least three days before the opening of the Offer and it the Prospectus after filing with RoC.
Registered Office of the Company	R-215, First Floor, Greater Kailash Part I, New Delhi – 110048.
Registrar /Registrar to the Offer	Registrar to the Offer, Intime Spectrum Registry Ltd.
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have not Bid for an amount exceeding Rs. 50,000/- in any of the bidding options in the Offer.
Retail Portion	The portion of the Offer being minimum of 5,250,000 Equity Shares of Face Value of Rs.10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Selling Shareholders	WIPL, PHL, TCL, TIHML, PIPL, and IDFC.
Stock Exchanges	BSE and NSE.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into among the Company, the Selling Shareholders and the members of the Syndicate, in relation to the collection of Bids in this Offer.

Syndicate Members	Kotak Securities Ltd.
Thakral Group	TCL and TIHML
TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid.
Underwriters	The BRLMs and Syndicate Members.
Underwriting Agreement	The Agreement among the Syndicate Members, the Selling Shareholders and the Company to be entered into on or after the Pricing Date.
Windmill Group	WIPL and KSPLL

Business Terms

Consolidator	Consolidators are business entities that consolidate out-bound cargo so as to export as fully loaded containers.
Dwell Time	Duration for which a container lies at the CFS / ICD.

CERTAIN CONVENTIONS; USE OF MARKET DATA

Unless stated otherwise, the financial data in this Prospectus is derived from the restated unconsolidated financial statements as of and for the fiscal years ended March 31, 2000, 2001, 2002, 2003, 2004 and for the eight month ended November 30, 2004, all prepared in accordance with Indian GAAP and included elsewhere in thisProspectus. Unless stated otherwise, the operational data in this Prospectus is presented on a consolidated basis and includes the operations of the Company and its subsidiaries. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

Unless the context otherwise requires, all references to one gender also refers to another gender. References to "allotment" of Equity Shares in this Offer, unless the context otherwise requires, shall also include a reference to "transfer" of Equity Shares.

For additional definitions used in this Prospectus, see the section "Abbreviations and Definitions" on page a of this Prospectus. In the section titled "Main Provisions of Articles of Association" at page 212 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company.

All references to "India" contained in this Prospectus are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "S$" are to Singapore Dollars, the official currency of the Republic of Singapore.

For additional definitions, please see the section titled "Abbreviations and Definitions" on page a of this Prospectus.

Unless stated otherwise, industry data used throughout this Prospectus has been obtained from CMIE, EXIM and from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company and the Selling Shareholders believe that industry data used in this Prospectus is reliable; it has not been independently verified.

FORWARD-LOOKING STATEMENTS

The Company has included statements in this Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with the expectations of the Company with respect to, but not limited to, the ability of the Company to successfully implement the strategy, growth and expansion, technological changes, exposure to market risks, general economic and political conditions in India which have an impact on the business activities or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry.

For further discussion of factors that could cause the actual results to differ, see the section entitled “Risk Factors” beginning on page i of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from the estimates. Neither the Company nor the Selling Shareholders nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

CURRENCY OF PRESENTATION

In this Prospectus, all references to "Rupees" and "Rs." are to the legal currency of India.

In this Prospectus, foreign currency amounts have been translated into Rupees for each period and presented solely to comply with the requirements of Clause 6.8.4 of the SEBI Guidelines. Investors are cautioned to not rely on such translated amounts. The translations should not be considered as a representation that such foreign currency amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated elsewhere in this Prospectus, or at all. The currency conversion rates are taken from the website www.x-rates.com

Currency conversion	**2004**		**2003**		**2002**	
	Year end	**Average**	**Year end**	**Average**	**Year End**	**Average**
Year ended March 31						
1. US $	43.4000	45.9600	47.5300	48.4224	48.8300	47.7112
2. Singapore $	25.9104	26.5619	26.9368	27.5970	26.5020	26.3231
3. Japanese Yen	0.4166	0.4071	0.4026	0.3976	0.3680	0.3821
4. Hong Kong $	5.5691	5.9057	6.0940	6.2084	6.26026	6.1174
Year ended June 30						
1. Singapore $	26.6918	26.4145	26.3517	27.4235	27.6954	26.6480
Year ended December 31	**2003**		**2002**		**2001**	
	Year end	**Average**	**Year end**	**Average**	**Year end**	**Average**
1. US $	45.0500	46.5908	48.0000	48.6218	48.2700	47.2233
2. Singapore $	26.8099	26.9508	27.6625	27.1643	26.1343	26.3461

Any percentage amounts, as set forth in "Risk Factors", "Business Segment", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of the Rupee amounts derived from the Company's financial statements prepared in accordance with the Indian GAAP and not on the basis of any translated Rupee amount presented solely pursuant to SEBI requirements. Calculation of percentage amounts on the basis of Rupee amounts may lead to results that are different, in a material way, from those calculated as per foreign currency amounts.

RISK FACTORS

An investment in equity shares involves a high degree of risk. The investor should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of the Company. If any of the following risks actually occur, the business, results of operations and financial condition could suffer, the trading price of the Equity Shares of the Company could decline, and the investor may lose all or part of his/her investment.

Internal Risk Factors

1. **There are criminal cases pending against some of the Directors and Promoters of GDL.**

   Mr. Prem Kishan Gupta
   Mr. P.K. Gupta, the Managing Director of GDL, has been implicated in a criminal conspiracy chargesheet filed by the Central Bureau of Investigation against Mr. Muneshwar Singh (prime accused). The alleged criminal conspiracy is in relation to the clearance of certain newsprint consignments from Mumbai and Vizag docks and diverting the same to Delhi and Calcutta for sale illegally. The chargesheet has been filed for offences under section 120 B of the Indian Penal Code ("IPC") read with sections 420, 468, 471 of the IPC and for substantive offences under sections 420, 468, 471 of the IPC.

   In the event that Mr. P K Gupta is convicted of the above offences, as a result of which he stands disqualified under section 267 (c) of the Companies Act, he will be required to vacate his office as Managing Director of the Company. This may temporarily affect the operations of the Company.

   Mr. M P Pinto
   A chargesheet has been filed by the Central Bureau of Investigation against various officials of the JNPT, including Mr. M.P. Pinto who was the Chairman of JNPT at the relevant time in the relation to tenders being invited for a transport contract. The chargesheet has been filed for commission of offences under Section 13 of the Prevention of Corruption Act, 1988, read with Sections 120 and 420 of the Indian Penal Code, 1860,

   In the event that Mr. M P Pinto is convicted of the said offences, as a result of which he stands disqualified under section 283 (1)(e) of the Companies Act, he will be required to vacate his office of independent Director of the Company.

   Mr. Gopinath Pillai
   A criminal complaint under sections 417, 420 and 34 of the Indian Penal Code, 1860 had been filed against Edutech Informatics (I) Pvt. Limited and its chairman Mr. Gopinath Pillai and other office bearers, M/s. Krislon Systems Sciences Pvt. Ltd and its office bearers and Informatics Holdings Ltd and its office bearers by BT Compu Graphics Pvt. Ltd in relation to the termination of the franchise of BT Compu Graphics Pvt. Ltd by Edutech Informatics (I) Pvt. Limited. Edutech Informatics (I) Pvt. Limited has filed a petition before the High Court of Judicature at Delhi seeking to quash the criminal complaint.

   For further details please refer to section 'Outstanding Litigations' on page 129 of this Prospectus

2. **There are seven cases filed by the Company, its subsidiary and the Promoter group Companies, which aggregate Rs. 2, 069 mn. There are six cases pending against the Company, the Directors, its subsidiary and its Promoters, which aggregates to Rs. 0.73 mn. The Company has filed ane tax appeal amounting to Rs. 2.44 mn and it has one employee litigation pending against it amounting to Rs. 0.35 mn. There is no material impact of the litigations on the financials of the Company.**

3. **SEBI has imposed a penalty against Thakral Investment Holdings Mauritius Ltd. for violation of SEBI (Substantial Acquisition of Shares and Takeovers (SAST) Regulation, 1997 ("Takeovers and Regulations")**

   SEBI had imposed a penalty of Rs. 75,000 for violation of the Takeover Regulations for failure to inform the relevant stock exchanges prior to the acquisition of Primeast Investments Ltd. and failure to submit the report along with the attendant documents giving requisite details of the acquisition to SEBI within 21 days of the acquisition of the shares of Primeast Investments Ltd.

4. **The Company has filed an income tax appeal before the Income Tax Appellate Tribunal and Indev warehouse and Container Services Private Limited has filed an income tax appeal before the Appellate Assistant Commissioner**

GDL has filed an income tax appeal with the Income Tax Appellate Tribunal, Mumbai in respect of interest of Rs. 2.44 mn earned during the said assessment year 1998-99 on certain short term deposits which the Assistant Commissioner of Income Tax included as part of the income of GDL (despite GDL having not commenced business).

An appeal has been filed by Indev Warehouse and Container Services Private Limited with the Appellate Assistant Commissioner (C.T. II) Chennai against the Commercial Tax Department in relation to a penalty of Rs. 0.04 mn levied on Indev Warehouse and Container Services Private Limited for delay in procuring sales tax registration.

5. **There is outstanding litigation involving the Company, Subsidiaries and group companies.**

a) Gateway Distriparks Ltd.

i) Labour Disputes

A case has been filed against the Company in the Court of the Assistant Labour Commissioner – cum - Commissioner for Workmen's Compensation, Bhubaneswar, claiming a sum of Rs. 0.35 million as compensation for the death of one Mr. Jalandhar Rana, as a result of electrocution during the course of his employment with the Company.

b) Indev Warehouse and Container Services Private Limited

i) Labour Disputes

A case has been filed by a former employee before the principal labour court for reinstatement and backwages of approximately Rs. 0.22 mn.

ii) Civil Proceedings

A writ petition has been filed in the High Court of Judicature at Madras by Krishna Creations against the customs authorities and Indev Warehouse and Container Services Private Limited for refund of earnest money deposit paid by them in relation to an auction which was forfeited by the customs.

c) Anbest Electronics Limited

i) Civil Proceedings

Anbest Electronics Limited has filed a suit against CGU International Insurance plc for a claim in relation to the loss of the insured consumer electronic goods by the unauthorized release of a bill of lading by Habib Bank.

d) Newspaper Trading and Sales Corporation

i) Civil Proceedings

NTSC has filed a summary suit against Jai Hind Co-operative Bank Limited for recovery of an amount of Rs. 3.95 mn.

ii) Criminal Proceedings

NTSC has filed 2 cases for dishonour of cheques against M/s. Andhra Prabha Pvt. Ltd. and M/s. Express Publications (Madurai) Ltd. amounting to approximately Rs. 72.00 mn.

e) Fortune Technologies Investment India Pvt. Ltd.

i) Civil Proceedings

Fortune Technologies Investment India Pvt. Ltd. has filed a suit against Reuters India Ltd. for Rs. 1,967.40 mn as damages and loss of profit for unauthorisedly using a scooping study.

For further details in this regard, please refer to the section on "Outstanding Litigation" at page 129 of this Prospectus.

6. **GDL depends on two major types of customers for its revenues, viz. shipping lines and consolidators. Both shipping lines and consolidators are concentrated among a few large players who control the market. Hence, GDL is dependent on its relationship with these large players for its business.**

   GDL is a facilitator in the export/ import logistics chain and its success depends on its relationship both with the shipping lines and consolidators. This depends to a large extent on the range of services offered by GDL, the quality and timeliness of the services offered and GDL's ability to retain shipping lines/consolidators. If the range or quality of services decreases, or if there is an increase in competition and GDL is unable to retain customers, the revenues of GDL may be adversely affected. For more details refer page 60 of the Prospectus.

7. **The average revenue earned by GDL for handling import containers is higher than the average revenue earned by GDL for handling export containers. However, the ratio of export to import containers is not within GDL's control. Any change in the ratio of import/export in favour of higher exports could have an adverse impact on GDL's revenues and profitability.**

   The revenue earned by GDL from handling import containers is higher than that earned by GDL from handling export containers, primarily on account of ground rent. GDL earns ground rent from storage of import containers pending clearance. No ground rent is earned on export containers in the normal course of business, as it is GDL's responsibility to clear the export consignment.

   Historically, Indian imports have been higher than exports. JNP, by virtue of being the premier container port of India reflects the same trend. The following table details GDL's mix with regards to import containers and export containers over the last three years.

Particulars	April – Nov. 2004		2003-04		2002-03		2001-02	
	TEUs	%	TEUs	%	TEUs	%	TEUs	%
Exports	27,931	25.84%	33,941	26.04%	19,313	20.79%	16,398	20.47%
Imports	80,143	74.16%	89,644	68.77%	68,022	73.23%	57,143	71.33%
Others*	0	0.00%	6,760	5.19%	5,550	5.98%	6,566	8.20%
TOTAL	108,074	100.00	130,345	100.00	92,885	100.00	80,107	100.00

   * Others include buffer yard / empty containers

   Consequently a reversal of this trend of higher imports than exports could have an adverse impact on GDL's revenues and profitability.

8. **There has been a consistent decline in the operating margin over the last three years, dropping from 65.03% in 2001-02 to 58.70% in 2002-03 and further to 55.99% in 2003-04.**

   The operations of GDL are highly dependent on movement of containers within the facility and between the port and CFS. GDL has, during the last three years, absorbed all cost increases and has not revised tariff rates. Over the last three years, transportation cost as a percentage to total income has risen from 17.96% in 2001-02 to 21.37% in 2003-04.

   The ratio of export containers handled by GDL to import containers also impacts the operating margin of GDL. Revenue from exports are lower than the revenue from imports and hence a change in the revenue mix in favour of exports also negatively affects the operating margin. Export containers as a percentage to total containers have increased from 20.47% in 2001-02 to 26.04% in 2003-04.

   Another factor that has an impact on the operating margins of GDL is dwell time. A reduction in dwell time results in a fall in the average revenue earned per container and hence has a negative impact on operating margins. However, reduction/improvement in dwell time also results in spare capacity and increased throughput leading to an overall increase in the gross total income of GDL. The operating margin recorded during the 8 month period ended November 2004 was 60.20%

9. The Navi Mumbai operations of GDL are an extension of the JNP in terms of the services offered. Hence, the growth of the Navi Mumbai operations is directly linked to the growth at JNP.

The business potential of GDL's Navi Mumbai operations is directly related to the operations of JNP. JNP is a major port in India and has accounted for 52.40% of the total containerised traffic movement in the year 2002-03. JNPT has in the last 6 years (1996-97 to 2002-03) recorded a CAGR of 28.50% in volume growth as against an all India growth rate of 13.35% during the same period. (Source: CMIE, Industry Reports)

JNP has pioneered the concept of privatising port operations in order to improve infrastructure and throughput. It has gradually expanded in the past to attain a capacity of 2.27 mn TEUs during the year 2003-04 [Source: Exim India] and has now awarded a contract to commence work on Terminal III, which is likely to be completed in 2005-06. The third terminal will increase JNP's capacity by 1.30 mn TEUs. [Source: Exim, JNPT 15th Anniversary Issue]

If JNP's expansion plans are delayed or completely stalled, growth in the revenues and profitability of GDL may be adversely impacted.

10. GDL places heavy reliance on contract labour for the performance of many of its operations.

GDL relies heavily on contract labourers for performance of many its operations. GDL is registered as a principal employer under the Contract Labour (Regulation and Abolition) Act. As on September 30, 2004, about 800 and 14 contract labourers are engaged through contractors at the CFS at Navi Mumbai and Garhi Harsaru respectively. However, on an application made by the contract labourers, an Industrial Court or Tribunal may direct that the contract labourers are required to be regularized or absorbed. Further, the state government may prohibit employment of contract labour. If either of the above should occur, GDL may require to take employees on its payroll thereby increasing its expenses and adversely affecting its profitability.

11. GDL presently pays only minimum alternate tax, claiming a 10-year tax holiday under section 80-IA (4)(i). However, there is no certainty as to the tax treatment that may be finally accorded by the tax authorities.

The Company has taken the view that the requirements of Section 80-IA(4)(i) of the Income Tax Act have been fulfilled and the Company is eligible for a tax holiday under the Income Tax Act in respect of its CFS operations as being an infrastructure facility. Hence, GDL has claimed a tax holiday as provided for by the said provision of the IT Act. GDL has also obtained an opinion from Sohrab E Dastur, senior advocate and M/s. Bansi S. Mehta & Co., Chartered Accountants, that it fulfils the provisions and is entitled to claim a tax holiday under Section 80-IA (4)(i). The income tax authorities may conclude otherwise which may result in such a tax holiday being denied and this would result in increased tax liabilities of GDL of approximately Rs. 109.66 mn in relation to these assessment years. GDL's profits after tax in the subsequent years may also consequently decline.

12. Cash flow for the financial year ended March 31, 2004 is negative.

GDL had cash & cash equivalents of Rs 67.51 mn as on April 01, 2003. During the year 2003-04, GDL generated cash surplus of Rs 263.46 mn. The cash flow was negative for the year on account of acquisition of fixed assets of Rs 101.21 mn, payment of final dividend declared for the financial year 2002-03 of Rs 72.20 mn, payment of interim dividend for the financial year 2003-04 of Rs 72.20 mn, net decrease in secured loan to the extent of Rs 4.45 mn and interest expense of Rs 18.81 mn. There can be no assurance that the cash flow in the subsequent years will be positive.

13. The Objects of the Offer for which the funds are being raised has not been appraised by any bank or financial institution.

In the absence of any appraisal by any bank or financial institution for the funds required by GDL, the deployment of funds raised through the Fresh Issue as stated in the section titled "Objects of the Offer" are as per the estimates of GDL approved by the Board of Directors.

14. GDL has not yet identified and has not entered into any definitive agreements for acquisition of business/ assets and investments into strategic initiatives as identified in the objects of the Offer.

GDL has identified acquisitions as one of the strategy for future growth. It proposes to raise funds amounting to Rs 329.87 mn to be used for this purpose. The Company has not yet identified any such opportunity and proposes to invest the funds so raised temporarily in short term investments. For details refer page 33 of this Prospectus.

15. **GDL owns 45.74 acres of land at Inland Container Depot ("ICD") Garhi of which 33.63 acres (i.e. 73.52%) of land is agricultural land, and cannot be used for the purpose of business or commercial activities.**

    The facility at ICD is located over 45.74 acres of land. Of this 11.95 acres of land was converted for non-agricultural purposes. GDL has yet to make an application for conversion of the remaining 33.79 acres of land from agricultural purposes to non-agricultural purposes. In the event that GDL fails to get the land converted for non-agricultural purposes, it shall not be able to put this land to effective commercial use. Non-conversion of land for non-agricultural purposes may impact the long term expansion prospect of GDL.

16. **Non–receipt of government and other regulatory approvals may affect GDL's proposed expansion plan.**

    GDL has not yet applied for and/or received all the government and other regulatory approvals required with regards to the new businesses at the ICD at Garhi Harsaru and the CFS at Vishakapatnam being setup by GDL and the proposed warehouse to be constructed at CFS Navi Mumbai. In case of non-receipt or delayed receipt of the same, GDL may not be able to implement the proposed expansion plan as scheduled, which may lead to cost overruns and which may have an adverse impact on the growth and financial condition of GDL.

17. **In order to enhance its capabilities and address gaps in industry expertise and geographic coverage, GDL may undertake strategic acquisitions, which may prove to be difficult to integrate and manage or may not be successful.**

    GDL may pursue strategic acquisition opportunities to enhance its capabilities and address gaps in industry expertise and geographic coverage. It is possible that GDL may not identify suitable acquisition or investment candidates or joint venture partners, or if it does identify suitable candidates or partners, it may not complete those transactions on terms commercially acceptable to GDL or at all. Further, the amount of funds required for acquisition is uncertain. The inability to identify suitable acquisition targets or investments or joint ventures or the inability to complete such transactions may adversely affect GDL's competitiveness or its growth prospects. If it acquires another company, it could have difficulty in assimilating that company's personnel, operations and technology. In addition, the key personnel of the acquired company may decide not to work with GDL. In some cases, it could have difficulty in integrating the acquired products, services or technologies with its operations. These difficulties could disrupt GDL's ongoing business, distract GDL's management and employees and increase its expenses thus adversely impacting its business, revenues and profitability.

18. **GDL's business plans may need substantial capital and additional financing in the form of debt and/or equity.**

    The CFS/ ICD business is capital intensive in nature. While GDL's proposed business plans are partly being funded through this Offer and partly through internal cash accruals, the actual amount and timing of GDL's future cash requirements may differ from estimates including but not limited to unforeseen delays or cost overruns, unanticipated expenses, market developments or new opportunities in the industry.

19. **GDL plans to grow both organically and through acquisitions. Such acquisitions will require additional funding for which GDL may incur further borrowings.**

    GDL had a long term debt equity ratio of 0.26 as on November 30, 2004. To meet its funding requirements for acquisitions in the near future, GDL may incur additional debt. This may result in a variation of the above debt equity ratio level. Further, there could no assurance that the Company would be able to secure adequate borrowing and at attractive terms.

20. **Any future equity offerings by GDL or the issue of Equity Shares pursuant to exercise of stock options under the ESOP may lead to dilution of investor shareholding in GDL or affect the market price of the Equity Shares.**

    GDL had adopted an ESOP as a means to reward and motivate its employees. Investors may experience dilution of their shareholding to the extent that GDL makes future equity offerings or issues Equity Shares pursuant to the exercise of stock options under the ESOP.

21. **GDL may not be able to hire and retain sufficient numbers of qualified professional personnel that GDL needs to succeed because these personnel are limited in number and in high demand.**

    If GDL fails to hire and retain sufficient numbers of qualified personnel for functions such as finance, marketing and sales, information technology, human resources and management personnel, GDL's business, operating results and financial condition could be harmed. The success of GDL's business will depend on its ability to identify, attract, hire, train, retain and motivate skilled personnel. Competition for qualified professional personnel is intense as these personnel are in limited supply particularly as India's economy continues to grow and mature. GDL might not be able to hire and retain sufficient numbers of such personnel to grow its business. There can be no assurance that GDL will be able to successfully attract or retain sufficiently qualified personnel.

22. **Although GDL is insured against the risk of damage to equipment, employees and third parties, the actual liabilities may exceed GDL's insurance coverage.**

    GDL's business operations involve storage, handling and transportation of goods belonging to third parties. GDL could face claims for substantial damage in the event of loss / pilferage / mishandling of goods. No assurance can be given that the various insurance policies, including the special contingency policy taken by GDL, will be sufficient to cover one or more large claims.

23. **The principal shareholders of GDL will continue to have the right to undertake certain corporate actions even after the completion of this Offer.**

    Under the Shareholders Agreement, following the completion of the Offer, the principal shareholders of GDL will continue to exercise certain special rights with regard to the operations of GDL. These include the requirement of representatives of Thakral Group, Windmill Group, PHL or NTSC (being at least two in number) and a representative of IDFC, to constitute a quorum of a shareholders meeting of GDL and the requirement of one representative of IDFC to be present to constitute a quorum for a meeting of the board of directors. Further, the right to approve significant actions at Board and at shareholders' meetings requires the affirmative vote of members holding between them at least 75% of the paid up shares of GDL. Such significant actions include any alteration of the Memorandum and Articles; any alteration in respect of the capital structure of GDL; any change in the business, or undertaking any business other than the existing business; any diversification, modernisation or substantial expansion in the business; the setting up of any subsidiary, or acquisition or disposal of any subsidiary or of any share in any subsidiary; and a public issue of shares with a view to obtaining the listing of GDL on any stock exchange.

    The principal shareholders also have the right to appoint directors on the board of GDL. For further details, please refer to Section "Brief History of Company" at page 49 of this Prospectus.

    There can be no assurance that the principal shareholders will not have conflicts of interest with the other shareholders. Any such conflicts may adversely affect the ability of GDL to execute its business strategy or to operate its business.

24. **There are certain customary restrictive covenants in the agreements GDL has entered into with certain banks and financial institutions.**

    GDL has entered into agreements with certain banks for long term/short term borrowings for which GDL's fixed assets and / or immovable properties have been charged. Some of these agreements contain customary restrictive covenants that require GDL to obtain prior permission from the concerned banks/financial institutions prior to undertaking activities such as new projects, diversification, modernization, issue of Equity Shares, change in capital structure, change in management, reduction in Promoters' existing shareholding, etc.

    If the consent of the concerned banks and financial institutions is not forthcoming, GDL's ability to undertake the above mentioned activities may be affected. GDL cannot assure investors that such consent will be forthcoming.

25. As on November 30, 2004 GDL, had contingent liabilities and outstanding guarantees and capital commitments.

As on November 30, 2004, GDL had a contingent liability of Rs 378 mn. GDL also had an outstanding capital commitment of Rs 21.11 mn against contracts remaining to be executed.

26. The shareholding of the Promoters of GDL could reduce as a result of enforcement of pledge for part of the shareholding pledged against the loans taken.

Some of the Promoters have pledged part of their shareholding (amounting to 13.41 % of the post issue capital) in GDL as a collateral security against loans taken from United Overseas Bank, Singapore and Infrastructre Leasing & Financial Services Limited. The shareholding of the Promoters could reduce as a result of enforcement of pledge on part of their shareholding pledged against the loan taken in the event of a default under these financing documents. For detailed information refer page 24 of this Prospectus.

27. A majority of the Promoters and Directors of GDL are non residents.

A majority of the Promoters and Directors of GDL are non-residents. There is a possibility that in the event of liability being imposed on the Promoters or Directors in their capacity as such under Indian laws, it may not be possible to enforce such laws against them whilst they are outside India, although these laws will continue to apply to them. This may also affect GDL's performance adversely.

28. A number of companies promoted by the promoters have reported losses in some of the previous years. The financial performance of these companies is given below:

(Rs. mn)

	Name Of Company	**Net Profit / Loss**		
	Year ended March 31	**2004**	**2003**	**2002**
1	Windmill International Pte. Ltd	(11.79)	(23.64)	(13.28)
2	Golden Peace Investment Limited	(0.13)	(0.13)	0.61
3	Windmill International (Myanmar) Limited	(0.01)	(0.03)	(0.01)
4	Shoreller Holdings Limited	(0.52)	(1.07)	(0.74)
5	Blue Wave Shipping S.R.L.	(0.54)	(0.89)	(0.30)
6	KSP Logistics Limited	5.32	(0.37)	1.27
7	Thakral Investments Holdings (Mauritius) Limited	28.66	(22.02)	4.65
8	Westminster Developments Private Limited	0.16	(0.05)	(0.04)
9	Normandy Developments Private Limited	1.60	(0.05)	(0.04)
10	Khazina Developments Private Ltd.	(0.04)	(0.04)	(0.04)
11	Zarina Developments Private Ltd.	(0.04)	(0.04)	(0.04)
12	Sovereign Investments Private Ltd.	(0.01)	(0.01)	(0.10)
13	Primeast Investments Limited	(2.70)	(2.26)	(2.25)
14	Thakral Investments (India) Private Limited	(0.80)	1.01	0.29
15	Future World (India) Pvt. Ltd.	(0.25)	(0.90)	(0.12)
16	Normandy Investments Pvt. Ltd.	(0.01)	(0.01)	(0.11)
17	Perfect Communication Pvt. Limited	(0.92)	(0.01)	(0.06)
18	Edgemond India Pvt. Ltd.	(0.02)	(0.02)	(0.01)

(Rs. mn)

	Name Of Company	Net Profit / Loss		
	Year ended March 31	**2004**	**2003**	**2002**
19	Mayfair Enterprises Private Limited	(0.05)	(0.05)	(0.08)
20	Fortune Technology Investments India Pvt. Ltd.	(0.01)	(0.14)	(0.49)
21	Star Cineplex Pvt. Limited	(0.01)	(0.02)	(0.01)
22	Thakral Overseas P. Limited	62.23	1,015.38	(465.87)
23	Minnow Trading Company Private Limited	(0.77)	0.00	0.00
24	Glade Trading Company Private Limited	(0.03)	(0.05)	(0.09)
25	Information Technology Park Investment Pte Ltd.	165.85	(66.59)	(122.32)
26	Parjat Developments Private Limited	(0.01)	(0.01)	(0.11)
27	Raaya Developments Private Ltd.	(0.01)	(0.01)	(0.11)
	Year ended June 30	**2004**	**2003**	**2002**
28	First Capital Property Ventures Pte Ltd	(2.04)	(2.05)	(1.30)
	Year ended Dec 31	**2003**	**2002**	**2001**
29	Lightship China Pte Ltd	0.30	(0.18)	(0.29)
30	Parameswara Holdings Limited	9.92	(4.08)	(78.70)
31	Parameswara Investments Limited	26.25	4.70	(2.17)

EXTERNAL RISK FACTORS

1. **Increased competition from existing and new entrants in this business could negatively impact the profitability of GDL.**

   The market for CFSs and ICDs is highly competitive. There are no restrictions on the entry of private, public sector and foreign players in CFS/ICD business. The Company expects competition to intensify from new entrants including CFS/ICD setup by shipping lines. Increased competition will have an adverse impact on the margins of the business of GDL.

2. **The CFS and ICD industry is highly dependent on movement of goods. Long drawn disruption of transport activity may impact profitability of GDL.**

   The CFS/ ICD business dynamics are directly related to the volume of trade, more specifically to the movement of goods. Disruption in the movement due to strike or such other factors would impact the volume of business done and consequently the profitability of GDL.

3. **Regional conflicts in South Asia could adversely affect the Indian economy, disrupt GDL's operations and cause its business to suffer.**

   South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries, such as between India and Pakistan. In recent years, there have been military confrontations along the India-Pakistan border. Military activity or terrorist attacks in the future could influence the Indian economy. This could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

4. **Stability of economic policies and the political situation in India could adversely affect the fortunes of the industry.**

   The government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. GDL's business, and the market price and liquidity of the Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

   The GoI plays an important role by regulating the policies and regulations governing the port related logistics sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investment in GDL's securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect GDL's business. Unstable internal and international political environment could impact the economic performance in both the short term and the long term.

5. **After this Offer, the price of GDL's Equity Shares may be highly volatile, or an active trading market for GDL's Equity Shares may not develop.**

   There is no standard valuation methodology in the logistics sector with few listed players in India. There has been no public market for Equity Shares and the prices of Equity Shares may fluctuate after the Offer. There can be no assurance that an active trading market for the Equity Shares will develop or can be sustained after the issue, or that the prices at which the Equity Shares are initially offered will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Offer. The valuations in the retail industry are presently high and may not be sustained in future and may also not be reflective of the future valuations of the industry

6. **An economic downturn may negatively impact GDL's operating results.**

   In an economic downturn, GDL's utilisation and rates for its service offerings could be adversely affected which may result in lower gross and operating profits.

7. **If communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy, the health of which GDL's business depends upon.**

   Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, GDL's operational and marketing activities may be adversely affected, resulting in a decline in the Company's income.

Notes:

1. Public Offer of **21,000,000** Equity Shares comprising of Fresh Issue of **11,000,000** Equity Shares of Rs.10/- each at a price of Rs. 72 and an Offer for Sale of **10,000,000** Equity Shares of Rs 10/- each at a price of Rs. 72 for cash aggregating Rs. 1,512 mn.
2. The Book Value per Equity Share of Rs. 10/- each was Rs. 11.96, Rs 12.69 and Rs 15.29 as on March 31, 2003, March 31, 2004 and November 30, 2004 respectively as per the Company's restated unconsolidated financial statements under Indian GAAP.
3. The networth of the Company was Rs. 765.54 mn, Rs. 812.44 mn and Rs 978.41 mn as on March 31, 2003, March 31, 2004 and November 30, 2004 respectively as per the Company's restated unconsolidated financial statements under Indian GAAP.
4. Investors are advised to refer to the paragraph on "Basis for Offer Price" on page 140 of this Prospectus.
5. Investors may note that in case of over-subscription in the Offer, allotment shall be on a proportionate basis to Retail Individual Bidders and Non-Institutional Bidders. Please refer to the paragraph on "Basis of Allocation" on page 207 of this Prospectus.
6. Outstanding loans and related party transactions for the last three years are on page 61 and 154 respectively of this Prospectus.

7. The average cost of acquisition of Equity Shares of the Promoters is as given below:

Sr. No.	Promoter	No of Shares acquired (face value Rs 10 per share)	Average cost per share (Rs)
1	Prem Kishan Gupta	2,404,000	7.47
2	Windmill International Pte. Ltd.	7,644,000	7.12
3	KSP Logistics Ltd.	2,940,000	7.50
4	Thakral Corporation Ltd.	7,644,000	7.12
5	Thakral Investments Holdings (Mauritius) Ltd.	2,940,000	7.50
6	Parameswara Holdings Ltd.	9,072,000	7.22
7	Prism International Pvt. Ltd.	10,796,000	7.28
	TOTAL	**43,440,000**	

8. Investors are free to contact any of the BRLMs for any clarification or information, who will be obliged to attend to the same.

COMPLIANCE OFFICER AND COMPANY SECRETARY
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Chief Finance Officer and Company Secretary
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SUMMARY

Industry Overview

Containerisation is the method of packing goods in reusable containers of uniform shape and size for transportation. Containerisation also facilitates the carriage of goods by one or more modes of transport without intermediate loading. Before containerisation, handling and transport of cargo was done piecemeal and hence involved wastage of time. With the arrival of containerisation, shippers started stuffing their goods into containers and delivered them to the port container yard for shipment. Containerisation succeeded because it ensured safety of goods transported, reduction in the packing cost and multiple handling risks and also increased the speed of transportation. Containerisation also enables intermodal transport, i.e the total movement from the origin to the destination, using different modes enroute like roadways, railways, shipping, airlines etc.

The popularity of containerisation is due to the fact that packing goods, even in substantially lighter wooden or metal casings, ensures easier transshipment and more importantly, can be used for an estimated 75% of the total general cargo volume. Containerisation solved the problem of congestion in harbors because of increased efficiency in handling of cargo, leading to quicker turnaround times for container vessels.

This revolution spread rapidly in developed countries and in port hubs like Hamburg, Rotterdam, Singapore and Hong Kong. The trend towards containerisation picked up in India only in the last decade. Improvement in port infrastructure and increased private participation in ports has seen development of modern container handling port terminals at JNPT, Mundra, Pipavav, Chennai and Vishakapatnam. Consequently, movement of containerised cargo has increased from 15.35 mn tonnes in 1994-95 to 43.67 mn tonne in 2002-03, registering a CAGR of 13.96% as compared to a CAGR of 5.96% registered in the overall export-import trade.

JNPCT along with NSICT has played an important role in the containerisation of goods. JNPCT along with NSICT accounted for 52.40% of the total containerised traffic handled out of India in the year 2002-03. As a result, CFSs located in and around the JNP region have benefited the most from this growth. This growth should continue in the future with the awarding of the contract for the development of the third terminal and beginning of preliminary work for the fourth terminal expected to be completed by 2007-08 (Source: JNPT Vision, Vision 2010]

Company Overview

GDL is a provider of port related logistics support services in India promoted by three business groups based in Singapore and a business group in India. GDL also has IDFC and Aranda, a wholly owned subsidiary of Temasek as its shareholders. GDL operates container freight stations on a pan India basis with strategic locations at JNPT, Chennai and Vishakapatnam ports and an ICD located at Garhi Harsaru, Haryana. This presence enables it to cater to the west coast traffic, demand from the northern hinterlands as well as the east-coast traffic.

The service offerings of the company include transportation of containers to and from the port, stuffing / destuffing of cargo, customs clearance and storage in warehouse or as a full container load in the container yard. In addition, the company also provides a range of value added services such as general and bonded warehousing service, palletising, shrink wrapping and other administrative services. It is amongst the few CFSs that provide a single point contact for customs clearance.

GDL has a total area of 119.31 acres under management with a handling capacity of 240,000 TEUs per annum. Again, it is amongst the few CFSs that is self reliant in terms of owned handling & transportation equipment.

GDL is a professionally managed and run company. GDL's Board provides a solid foundation to the Company. The Company has a lean organisation structure and outsources its entire labour requirements with compensation linked to the number of TEUs handled. This has helped GDL in retaining a better control over its operations without incidences of work disruption.

GDL has grown its operations over the last 3 years from a single locational presence to a pan India presence through acquisition of facilities at Chennai, and Garhi Harsaru and the setting up of a CFS at Vishakapatnam. The total number of TEUs handled has grown at a CAGR of 27.5% from 80,107 in 2001-02 to 130,345 in 2003-04. GDL's total income from operations increased from Rs 380.12 mn in 2001-02 to Rs 591.53 mn in 2003-04 and its Profit after Tax increased from Rs 98.02 mn to Rs 191.30 mn over the same period. GDL recorded a total income from operations of Rs 522.49 mn and a profit after tax of Rs 165.97 mn for the 8 month period ended November 30, 2004.

GDL has built up a reputation as an efficient provider of CFS services. This reputation, though built up in a relatively short period of five years, has been achieved through careful planning and execution of the Company's operations. GDL has a scalable business model, which can be replicated throughout the country.

GDL's philosophy has been to take only mitigatable risks. It has put in place a management that has, collectively at the senior level, almost 100 years of working experience in this field. The management ensures that its various stakeholders namely customers, bankers, shareholders and its business partners are satisfied by its deliverables i.e.cost effective service to the customers, adherence to commitments to the banks, fair returns to the shareholders and mutually beneficial business practices with its partners.

Competitive Strengths

GDL believes that the following factors have helped it emerge as a leading CFS player:

Strategic Locations: To attract, service and retain its customers, it is imperative that GDL addresses the container traffic emanating not only from the key gateway ports of India with considerable container handling capacity but also address the requirements of the hinterlands located deeper in the country.

In India, the key container terminals of JNPT at Navi Mumbai and Chennai cater to around 67% of total container traffic in India. Further, the industrial belts of the northern hinterlands of Delhi, Haryana, Punjab and Rajasthan can be catered to by GDL's ICD at Garhi Harsaru. Garhi Harsaru, located at a distance of 40 kms west of Delhi, is a well connected location with strong multi-modal land access infrastructure connecting it to multiple gateway ports on both the east & the west coast of India.

Thus, GDL with its pan- India presence at Navi Mumbai, Chennai, Vizag and Delhi and en-route access to Western Gateway ports of Kandla, Pipavav and Mundra can effectively address the requirements of import/export container cargo from various strategic locations.

Strong Customer Relations: Since inception, GDL has laid great emphasis on developing an approach of partnering with its clients as against being a pure third party service provider. Most of the large customers of GDL have stayed with the company since inception and have progressively increased the quantum of business with GDL.

In its endeavor to make the clientele more broad based, GDL has consistently added more customers to its list. While the quantum of business from its large customers has shown a steady growth, the total contribution of any single customer has reduced progressively thereby reducing GDL's dependence on a few customers as outlined in page 60 of this Prospectus.

Strong Financial Position: GDL has consistently grown since commencing operations in 1999. The consistent growth in financial numbers and key ratios indicate strong financial position. GDL's shareholders include institutional investors IDFC and Aranda (100% subsidiary of Temasek Holdings, Singapore)

Experienced Professional Management Team: GDL has a qualified management team with several years of relevant experience in their domain of expertise. The management team is ably supported by a well constituted Board of Directors who provides overall direction to GDL.

Strong Focus on Systems and Processes: GDL has implemented Warehousing Operations and Planning Systems (WOPS) a software that helps in capturing and tracking of the movement of all cargo and containers at its Navi Mumbai facility. The entire facility at Navi Mumbai is linked using a fibre optic backbone. The entire network runs on 100% UPS backup GDL is connected to the customs house both through wireless and leased lines.

Growth Strategy

GDL has established itself as a major player in the port related logistics sector by establishing an anchor facility in Mumbai, an ICD in Garhi outside Delhi, a third facility on a more modest scale in Vishakapatnam and acquiring a facility in Chennai. GDL plans to have a network of CFSs and ICDs covering northern, western and southern India with a rail link that connects western and northern India. Once these are in place, GDL will then start moving up the ladder in the logistics supply chain with a possibility of partnering a global player to become a full 4PL player.

The following are the key elements to GDL's strategy:

- Consolidate and maintain its position at JNPT
- Increase penetration and expand GDL's reach by setting up / acquiring CFSs at major and upcoming modern ports with container terminals and ICDs at catchment areas in the hinterlands
- Establish a network of CFSs and ICDs connected to important gateways through rail and road
- Enhance product range by adding value added services
- Improve operational efficiencies
- Enhance human capital

THE OFFER

Equity Shares offered:	
Fresh Issue	11,000,000
Offer for Sale by	
Windmill International Pte. Ltd.	1,289,000
Parameswara Holdings Pte. Ltd.	1,105,00
Thakral Corporation Ltd.	966,000
Thakral Investments Holdings (Mauritius) Ltd.	322,000
Prism International Pvt. Ltd.	1,578,000
Infrastructure Development Finance Corporation Ltd.	4,740,000
Total Offer for Sale	**10,000,000**
Total Equity Shares Offered	**21,000,000**
Of which:	
• Qualified Institutional Buyers portion (Allocation on a discretionary basis)	Not More than 10,500,000 Equity Shares
• Non-Institutional portion (Allocation on a proportionate basis)	Minimum of 5,250,000 Equity Shares
• Retail portion (Allocation on a proportionate basis*)*	Minimum of 5,250,000 Equity Shares

In case of under subscription in any category, the undersubscribed portion may be allocated to the bidders in the other category. The allocation to QIBs, shall be determined by the Book Running Lead Manager(s) in consultation with the Company based on prior commitment, investor quality, price aggression, earliness of bids, etc

Equity Shares outstanding prior to the Offer	64,000,000 Equity Shares
Equity Shares outstanding after the Offer	75,000,000 Equity Shares

Use of Fresh Issue Proceeds

Please see the section titled "Objects of the Offer" on page 30 of this Prospectus.

Summary of Financial Data under Indian GAAP

The following summary of financial data has been extracted from the company's audited financial statements prepared in accordance with Indian GAAP, the Companies Act, and restated as described in the Auditors Report of Price Waterhouse dated February 11, 2005 which is included in the section entitled Auditors report in the Prospectus on page 142. This summary should be read in conjunction with the Company's audited financial statements for the years ended March 31, 2000 to March 31, 2004 and for the eight month period ended November 30, 2004 including significant accounting policies and notes thereto and the reports thereon and the section entitled "Management Discussion and Analysis of Financial Conditions and Results of Operation (As per the Financial statements under Indian GAAP)" included in this Prospectus.

Statement of Adjusted Profit & Loss Account

(Rs. mn)

Particulars	01.04.2004 to 30.11.2004	2003-04	2002-03	2001-02	2000-01	1999-00
Income						
From Operations	522.49	591.53	456.99	380.12	213.99	137.08
Other Income	4.33	6.05	4.04	11.48	2.46	3.23
Total Income	**526.82**	**597.58**	**461.03**	**391.60**	**216.45**	**140.31**
Expenses						
Staff Cost	19.80	20.70	17.84	11.75	10.07	7.06
Operating Cost	192.50	245.67	174.93	132.67	71.70	44.13
Other Expenses	113.33	108.41	103.37	126.93	87.70	84.83
Total Expenses	**325.63**	**374.78**	**296.14**	**271.35**	**169.47**	**136.02**
Net Profit before Provision for Tax and Exceptional Items	**201.19**	**222.80**	**164.89**	**120.25**	**46.98**	**4.29**
Less: Exceptional Items [Income/ (Expense)]	-	-	13.00	(13.00)	-	-
Net Profit before Provision for Tax	201.19	222.80	177.89	107.25	46.98	4.29
Provision for Tax	35.22	31.50	28.03	9.23	5.53	0.13
Net Profit after Tax	**165.97**	**191.30**	**149.86**	**98.02**	**41.45**	**4.16**
Less: Adjustments (Net)	-	-	-	22.78	11.45	5.32
Adjusted Net Profit/ (Loss) After Tax	**165.97**	**191.30**	**149.86**	**75.24**	**30.00**	**(1.16)**
Balance of Profit/ (Loss) brought forward	152.94	125.54	49.88	1.09	(17.01)	(15.85)
Profit Available for Appropriation	318.91	316.84	199.74	76.33	12.99	(17.01)
Surplus/ (Deficit) carried to Balance Sheet	**318.91**	**152.94**	**125.54**	**49.88**	**1.09**	**(17.01)**

GATEWAY DISTRIPARKS LTD.

Statement of Adjusted Assets & Liabilities

(Rs. mn)

Particulars		As at					
		Nov-04	**Mar-04**	**Mar-03**	**Mar-02**	**Mar-01**	**Mar-00**
A	Fixed Assets	1,468.19	1,095.13	1,032.82	964.43	816.57	725.53
B	Investments	15.00	-	-	-	-	-
C	Current Assets, Loans and Advances	198.47	178.70	146.66	64.91	33.29	32.70
D	Liabilities and Provisions	613.88	391.32	358.14	300.56	472.04	442.69
E	Deferred Tax Liability (Net)	89.37	70.07	55.80	40.90	18.12	5.78
F	**Adjusted Net Worth (A+B+C-D-E)**	**978.41**	**812.44**	**765.54**	**687.88**	**359.70**	**309.76**
	Represented by						
G	Equity Share Capital	640.00	640.00	640.00	480.00	360.00	270.00
	Share Application Money	-	-	-	-	-	60.00
H	Reserves and Surplus						
	Profit and Loss Account	318.91	152.94	125.54	49.88	1.09	(17.01)
	General Reserve	19.50	19.50	-	-	-	-
	Share Premium	-	-	-	158.00	-	-
	Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-	-	(1.39)	(3.23)
F	**Net Worth**	**978.41**	**812.44**	**765.54**	**687.88**	**359.70**	**309.76**

Summary of Cash Flow for the financial years 2004, 2003, 2002, 2001 and 2000

(Rs. mn)

Cash Flow	**01.04.2004 to 30.11.2004**	**2003-04**	**2002-03**	**2001-02**	**2000-01**	**1999-00**
Net Cash Flow from (used in) operating activities	226.78	263.46	192.06	196.62	115.84	72.35
Net Cash Flow from (used in) investing activities	(433.03)	(101.21)	(99.96)	(170.50)	(109.42)	(185.05)
Net Cash Flow from (used in) financing activities	177.11	(167.66)	(46.45)	(13.20)	(5.57)	106.81
Net Increase/(Decrease) in Cash and Cash Equivalents	(29.14)	(5.41)	45.65	12.92	0.85	(5.89)

Summary of Accounting Ratios

Particulars	01.04.2004 to 30.11.2004	2003-04	2002-03	2001-02	2000-01	1999-00
Basic EPS (Rs)	2.59	2.99	2.14	1.84	0.83	(0.04)
Cash EPS (Rs)	3.35	3.71	2.66	2.53	1.41	0.70
Net Asset Value Per Share (Rs)	15.29	12.69	11.96	14.33	9.99	11.47
Operating Margin	60.20%	55.99%	58.70%	65.03%	62.94%	65.01%
Return on Net Worth	16.96%	23.55%	19.58%	10.94%	8.34%	(0.37)%
Return on Capital Employed	11.50%	19.07%	15.60%	8.35%	3.89%	(0.16)%

Note: Ratios have been computed on the basis of the adjusted profits/ losses for the respective years/period.

Gateway Distriparks Limited

(Incorporated on April 06, 1994, under the Companies Act, 1956 and obtained Certificate of Commencement of Business on October 24, 1994)

Registered Office: R-215, First Floor, Greater Kailash Part I, New Delhi - 110048.
Tel +91-11-5162 0000 Fax +91-11-5163 4588
Mumbai Office: Container Freight Station Sector 6, Dronagiri, Taluka Uran,
District Raigad, Navi Mumbai - 400 707
Telephone No. +91-22-2747 0520 Fax No. +91-22-2747 1854.
E-mail: gdl@gateway-distriparks.com Website: www.gateway-distriparks.com

GENERAL INFORMATION

Authority for the Offer

The Fresh Issue has been authorised by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956, at the extraordinary general meeting of the shareholders of the Company held on March 18, 2004. The Offer has been authorised by a resolution of the Board of Directors of GDL dated June 16, 2004.

WIPL vide its board resolution dated June 03, 2004, has approved the offer for sale of upto 1,289,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

PHL vide its board resolution dated June 03, 2004, has approved the offer for sale of upto 1,105,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

TCL vide its board resolution dated on June 15, 2004 has approved the offer for sale of upto 966,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

TIHML vide its board resolution dated on June 15, 2004 has approved the offer for sale of upto 322,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

PIPL vide its board resolution dated June 14, 2004 has approved the offer for sale of upto 1,578,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

IDFC vide its Credit Committee resolution dated August 13, 2004 has approved the offer for sale of upto 4,740,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

Regulatory Approvals for the Offer

The Company has received approval from the FIPB, Ministry of Finance and Company Affairs, by its letter dated December 31, 2004, for the Offer for Sale of Equity Shares in this Offer by both resident and non-resident Selling Shareholders to eligible non-resident investors including NRIs, FIIs and SEBI registered Foreign Venture Capital Investors. The Company has received approval from RBI vide their letter No. FE/CO/FID/5606/10.1.07.02.200(657)/2004-05 dated February 24, 2005 for transfer of 10,000,000 equity shares of Rs. 10/- each of the Company from existing shareholders to non-resident under public offer.

Prohibition by SEBI

The Company, its Directors, its Promoters, other companies / entities promoted by its Promoters, and companies/entities with which its Directors are associated with as directors, have not been prohibited from accessing the capital markets under any order or direction passed by SEBI. None of the Directors of the Company or the persons in control of the promoter companies have been prohibited from accessing the capital markets or restrained from buying/selling/dealing in securities under any order or direction passed by SEBI.

Eligibility for the Offer

The Company is eligible to make the Offer under Clause 2.2.1 (read with Clause 2.2.3) of the SEBI Guidelines since, based on the unconsolidated financial statements of the Company under Indian GAAP:

- The Company has net tangible assets of at least Rs. 30 mn in each of the preceding three full years of which not more than 50% is held in monetary assets;
- The Company has a track record of distributable profits in terms of Section 205 of Companies Act, for at least three of the immediately preceding five years;
- The Company has a net worth of at least Rs.10 mn in each of the three preceding full years
- The proposed Offer size, including all previous public issues in the same financial year, is not expected to exceed five times the pre-Offer net worth of the Company; and
- The Company has not changed its name during the last one year.

The net profit, dividend, net worth, net tangible assets and monetary assets derived from the auditor's report included in this Prospectus under the section "Unconsolidated Financial Statements under Indian GAAP", as at and for the last five years ended March 31, 2004 is set forth below:

(Rs. mn)

Particulars	**As on Nov 30 2004**	**As on March 31, 2004**	**As on March 31, 2003**	**As on March 31, 2002**	**As on March 31, 2001**	**As on March 31, 2000**
Net Tangible Assets (1)	1502.87	1073.17	1016.46	941.77	788.51	723.54
Monetary Assets (2)	32.96	62.10	67.51	21.86	8.94	8.09
Net Profits, as restated	165.97	191.30	149.86	75.24	30.00	(1.16)
Net Worth	978.41	812.44	765.54	687.88	359.70	309.76

(1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), trade investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities), net of provisions for diminution in value.

(2) Monetary assets include cash on hand and bank and quoted investments including units in open ended mutual fund schemes at cost.

The Company and the Selling Shareholders undertake that the number of allottees, i.e. persons receiving Allotment in the Offer shall be at least 1000, otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, the Company and the Selling Shareholders shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, IL&FS INVESTMART LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY AND SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE

BOOK RUNNING LEAD MANAGER, IL&FS INVESTSMART LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 01, 2004 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

a) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID OFFER;

b) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

A. THE PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

B. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID OFFER AS ALSO THE GUIDELINES, INSTRUCTIONS ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER.

D. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATIONS ARE VALID.

E. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE OFFER WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

THE <u>FILING OF THE PROSPECTUS</u> DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

Disclaimer by the Selling Shareholders

Each Selling Shareholder takes responsibility for only those statements with respect to itself as a Selling Shareholder. The Selling Shareholder assumes no responsibility for any of the statements made by the Company in this Prospectus including, without limitation, all information clauses relating to the Company, its businesses, its affairs and its disclosures.

Caution

The Company, the Selling Shareholders, the Directors and the BRLMs accept no responsibility for statements made otherwise than in the Prospectus or in the advertisements or any other material issued by or at instance of the abovementioned entities and anyone placing reliance on any other source of information, including the Company's website, www.gateway-distriparks.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and the Company and the Memorandum of Understanding among the BRLMs, the Selling Shareholders and the Company.

The Company, the Selling Shareholders and the BRLMs shall make all information available to the public and investors at large and no selective or additional information would be available to any section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

Disclaimer in Respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorised under their constitution to hold and invest in shares) and to NRIs, FIIs and foreign venture capital funds registered with SEBI. This Prospectus does not, however, constitute an invitation to subscribe to shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or her self about and to observe any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the BSE (Designated Stock Exchange)

As required, a copy of the Red Herring Prospectus has been submitted to the BSE. The BSE has given vide its letter number List/ Smg/sm/vb/2004 dated December 29, 2004 to this Company to use the BSE's name in this Prospectus as the Designated Stock Exchange on which this Company's securities are proposed to be listed. The BSE has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The BSE does not in any manner: -

a) warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; or
b) warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
c) take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not, for any reason, be deemed or construed that this Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of the Red Herring Prospectus has been submitted to the National Stock Exchange of India Ltd.(hereinafter reffered to as NSE). The NSE has given vide its letter number NSE/LIST/9502-R dated January 17, 2005, permission to the Company to use the NSE's name in this Prospectus as one of the Stock Exchanges on which this Company's securities are proposed to be listed subject to the Company fulfilling the various criteria for listing including the one related to paid-up capital and market capitalisation (i.e. the paid-up capital shall not be less than Rs.100 mn and market capitalisation shall not be less that Rs.250 mn at the time of listing). The NSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed to mean that the Prospectus has been cleared or approved by the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been filled for registration with the ROC, New Delhi.

Listing

Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. BSE will be the Designated Stock Exchange with which the basis of allocation will be finalised for the Non-Institutional and the Retail Portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges mentioned above, the Company and Selling Shareholder shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within eight days after the date on which the Company and Selling Shareholder become liable to repay it (i.e. from the date of refusal or within 70 days from the date of Bid/Offer Closing Date, whichever is earlier), then the Company and every director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation and adoption of the basis of Allotment for the Offer.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

i. makes in a fictitious name, an application to a company, for acquiring or subscribing for, any shares therein, or

ii. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Fresh Issue amount, including devolvement of the underwriters, if any, within 60 days from the Bid/Offer Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company and every director of the Company who is an officer in default, becomes liable to repay the amount with interest as per Section 73 of the Companies Act, 1956.

In case of undersubscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Withdrawal of the Offer

The Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer any time after the Bid / Offer Closing Date, without assigning any reason therefor.

Allotment Advice or Refund Orders

The Company and the Selling Shareholders shall dispatch allotment advice, refund orders and give credit to the beneficiary account with Depository Participants and submit the allotment and listing documents to the Stock Exchanges within two working days of finalisation of the basis of allotment. The Company and Selling Shareholders shall ensure dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid / Offer Closing date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, the Company further undertakes that:

a) Allotment of Equity Shares shall be made in dematerialised form only within 15 days from the Bid/ Offer Closing Date;

b) Dispatch of refund orders will be done within 15 days from the Bid/Offer Closing Date; and

c) The Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above) if allotment / transfer is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The Company and the Selling Shareholders shall provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Offer.

Refunds will be made by cheques, pay orders or demand drafts drawn on Escrow Collection Banks and payable at par at places where bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Offer Programme

BID / OFFER OPENED ON	**:**	**MARCH 09,**	**2005**
BID / OFFER CLOSED ON	**:**	**MARCH 14,**	**2005**

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bid/ Offer Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form except that on the Bid/Offer Closing Date, the Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) and uploaded until such time as may be permitted by the BSE and NSE on the Bid/Offer Closing Date.

The Company and the Selling Shareholders reserve the right to revise the Price Band during the Bidding / Offer Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the price band disclosed in this Prospectus.

In case of revision in the Price Band, the Bidding/Offer Period will be extended for three additional days after revision of Price Band subject to a maximum of 13 days. Any revision in the Price Band and the revised Bidding/Offer Period, if applicable, will be widely disseminated by notification to the BSE and NSE by issuing a press release, and also by indicating the change on the web site of the Company and/or the BRLMs and at the terminals of the members of the Syndicate.

Book Running Lead Managers

IL & FS INVESTMART LIMITED
IL & FS Financial Centre
Plot No. C-22, G Block
Bandra Kurla Complex
Bandra (E), Mumbai - 400 050.
Tel: +91 – 22 – 2653 3333
Fax: +91 – 22 – 2653 3093
Email: gateway.ipo@investsmartindia.com

KOTAK MAHINDRA CAPITAL COMPANY LIMITED
3rd Floor, Bakhtawar,
229, Nariman Point,
Mumbai 400 021
Tel: +91-22-56341100
Fax: +91-22-22840492
Email: gateway.ipo@kotak.com

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES AMONGST BRLMs

The responsibilities and co-ordination for various activities in this Offer have been distributed amongst the BRLMs as under:

S. No.	ACTIVITIES	RESPONSIBILITY	CO-ORDINATOR
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	IIL, KMCC	IIL
2.	Due diligence of the company's operations / management / business plans/legal etc.	IIL	IIL
3.	Drafting & Design of Offer Document and of statutory advertisement including memorandum containing salient features of the Prospectus. The designated Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI	IIL	IIL
4.	Drafting and approval of Offer and statutory publicity material, etc.	IIL, KMCC	IIL
5.	Drafting and approval of all corporate advertisement, brochure and other publicity material	IIL, KMCC	KMCC
6.	Appointment of Ad agency	IIL, KMCC	KMCC
7.	Appointment of Registrar, Bankers, Syndicate members, Sub –Syndicate members and Printer	IIL, KMCC	IIL
8.	Marketing of the Offer, which will cover, inter alia: ● Formulating marketing strategies and preparation of publicity budget ● Finalize Media & PR strategy ● Finalizing centers for holding conferences for brokers, etc. ● Finalize collection centers ● Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	IIL, KMCC	KMCC

S. No.	ACTIVITIES	RESPONSIBILITY	CO-ORDINATOR
9.	Finalizing the list of QIBs. Divisions of QIBs for one to one meetings, road show related activities and order procurement	IIL, KMCC	KMCC
10.	Finalizing of Pricing & Allocation	IIL, KMCC	IIL
11.	Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc.	IIL, KMCC	IIL
12.	The post Offer activities of the Offer will involve essential follow up steps, which must include finalisation of listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrars to the Offer, Bankers to the Offer and the bank handling refund business. Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with the issuer company.	IIL, KMCC	IIL

The selection of various agencies like the Registrar to the Offer, Bankers to the Offer, Escrow Collection Bank(s), Syndicate Members, Brokers, Advertising agencies, Public Relations agencies etc. will be finalised by the Company.

Syndicate Member

Kotak Securities Limited
1st Floor Bakhtawar,
229, Nariman Point,
Mumbai- 400021
Tel: +91-22-5634 1100
Fax: +91-22-5630 3927

Registered Office

Gateway Distriparks Limited
R-215, 1st Floor
Greater Kailash Part-1
New Delhi 110 048
Tel: +91-11- 5162 0000
Fax: +91-11-5163 4588

Mumbai Office

Gateway Distriparks Limited
Container Freight Station Sector 6
Dronagiri, Taluka Uran,
District Raigad, Navi Mumbai - 400 707
Tel: +91-22-2747 0520
Fax: +91-22-2747 1854.

Compliance Officer and Company Secretary

R Kumar
Chief Finance Officer and Company Secretary
Gateway Distriparks Limited
Container Freight Station,
Sector 6, Dronagiri,
Tal: Uran, Dt: Raigad
Navi Mumbai – 400 707
Tel: +91-22-2747 0520 / 2747 1855
Fax: +91-22-2747 1854
E-mail: kumar@gateway-distriparks.com

Investors can contact the Compliance Officer in case of any pre-offer or post-offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders, etc.

Registrar to the Offer

INTIME SPECTRUM REGISTRY LIMITED
Unit: GDL Public Offer
C-13, Pannalal Silk Mills Compound
Kantilal Maganlal Industrial Estate
LBS Marg, Bhandup (W)
Mumbai – 400 078
Tel: +91-22-5555 5491
Fax: +91 –22-5555 5499
E-mail: gateway@intimespectrum.com
Contact Person: Mr. Vishwas Attavar

Legal Advisors to the Offer

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Advocates & Solicitors
Peninsula Chambers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400 013
Ph. No.: +91-22-2496 4455 / 5660 4455
Fax No.: +91-22-2496 3666 / 5662 8466

Statutory Auditors

Price Waterhouse
Chartered Accountants
252, Veer Savarkar Marg,
Opp. Shivaji Park Maidan,
Next to Mayor's Bungalow,
Dadar (W) - Mumbai 400028
Phone nos. : +91-22-5669 1000 / 5669 1200
Fax nos. : +91-22-5654 7800 / 01 / 022

Tax Auditor / Internal Auditor

Rakesh Garg & Associates
Chartered Accountants
B-1/3 Emca House,
289 Shahid Bhagat Singh Marg
Fort, Mumbai 400 001
Tel: +91-22-2267 7195
Fax: +91-22-5634 9107
Email: rakesh@bom3.vsnl.net.in

Banker to the Offer and Escrow Collection Bankers

HDFC Bank Limited
2nd Floor, Trade World,
New Building, Kamala Mills,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.
Tel: +91-22-2498 8484
Fax: +91-22-2496 3871

ICICI Bank Limited
Capital Market Division
30 Mumbai Samachar Marg,
Fort,
Mumbai 400 001
Tel No: +91-22-2265 5284
Fax no: +91-22-2261 1138

Kotak Mahindra Bank Limited
Bakhtawar, 2nd Floor,
229, Nariman Point,
Mumbai 400 021
Tel: +91-22-5659 6022
Fax:+91-22-5635 7566

Bankers to the Company

DBS Bank Limited
3rd Floor, Fort House,
221, Dr. D. N. Road,
Fort, Mumbai
Ph No: +91-22-5638 8888
Fax No: +91-22-5638 8899

HDFC Bank Limited
2nd Floor, Trade World
New Building, Kamala Mills
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013
Ph. No: +91-22-2498 8484
Fax No: +91-22-2496 3871

ICICI Bank Limited
ICICI Bank Towers
Bandra-Kurla Complex
Bandra, Mumbai 400 051
Ph. No: +91-22-2653 1414
Fax No: +91-22-2653 1122

Oriental Bank of Commerce
15, Maker Chamber III
Nariman Point,
Mumbai 400 021
Ph. No: +91-22-2288 4383
Fax No:+91-22-2282 8149

State Bank of Mauritius Limited
101, Raheja Centre,
Free Press Journal Road,
Nariman Point, Mumbai 400 021
Ph. No: +91-22-2284 2965
Fax No: +91-22-2284 2966

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating for the Offer.

Trustees

As this is an Offer of Equity Shares, the appointment of Trustees is not required.

Book Building Process

Book Building refers to the process of collection of Bids from investors, which is based on the Price Band, with the Offer Price being finalized after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- The Company
- The Selling Shareholders being WIPL, PHL, TCL, TIHML, PIPL and IDFC
- Book Running Lead Managers, in this case being IIL and Kotak
- Syndicate Members, who are intermediaries registered with SEBI or registered as brokers with BSE /NSE, and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs
- Registrar to the Offer

SEBI, through its guidelines, has permitted an issue of securities to the public through 100% Book Building Process, wherein: (i) upto 50% of the offer to the public shall be allocated on a discretionary basis to QIBs (ii) not less than 25% of the offer to the public shall be available for allocation on a proportionate basis to the Retail Individual bidders and (iii) not less than 25% of the offer to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. The Offer Price will be ascertained after the Bid /Offer Closing Date.

Pursuant to the recent amendments to the SEBI Guidelines, QIB Bidders are not allowed to withdraw the Bid(s) after the Bid Closing Date and for further details please refer to the "Terms of the Offer" on page 185 of this Prospectus

The Company and the Selling Shareholders shall comply with guidelines issued by SEBI for the Offer. In this regard, the Company and the Selling Shareholders have appointed IL&FS Investsmart Limited and Kotak Mahindra Capital Company Limited as BRLMs to manage the Offer and procure subscriptions for the Offer.

The process of book building, under the SEBI Guidelines, is relatively new and the investors are advised to make their own judgement about the investment through this book building prior to making a Bid in the Offer.

After the determination of the Offer Price and allocation of the Equity Shares but prior to filing of the Prospectus with RoC, the Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through the Offer. It is proposed that, pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

Steps to be taken for bidding:

a) Check eligibility for bidding (please refer to the section "Offer Procedure- Who Can Bid" on page 190 of this Prospectus);

b) Ensure that the Bidder has a demat account; and

c) Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form.

After the determination of the Offer Price and prior to filing of the Prospectus with the RoC, the Company, the Selling Shareholder and the Underwriters will enter into an Underwriting Agreement for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the members of the Syndicate do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in mn)
IL & FS Investsmart Limited IL & FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	10,500,000	756.00
Kotak Mahindra Capital Co. Ltd. 3rd Floor, Bakhtawar, 229, Nariman Point, Mumbai — 400 021	10,499,900	755.99
Kotak Securities Limited 1st Floor Bakhtawar, 229, Nariman Point, Mumbai- 400021	100	0.01

The above-mentioned amount is indicative underwriting and this would be finalized after pricing and actual allocation. The above underwriting agreement is dated March 15, 2005.

In the opinion of the Board of Directors of the Company (based on a certificate given to them by BRLMs and the Syndicate Members), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange (s). The above Underwriting Agreement has been accepted by the Board of Directors of the Company on behalf of the Company and the Selling Shareholders, at their meeting held on March 15, 2005 and the Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective underwriter, in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure / subscribe to the extent of the defaulted amount. Allocation to QIBs is discretionary as per the terms of this Prospectus and may not be proportionate in any way and the patterns of allocation to the QIBs could be different for the various Underwriters.

CAPITAL STRUCTURE

Share capital as at the date of filing of Prospectus with RoC is set forth below:

(Rs. mn)

	SHARE CAPITAL as of March 31, 2004		**Face Value**	**Total Value Incl. Premium**
A.	**Authorised Capital**			
	90,000,000	Equity Shares of Rs. 10 each	900.00	
B.	**Issued, Subscribed And Paid-Up Capital**			
	64,000,000	Equity Shares of Rs. 10 each fully paid-up	640.00	798.00
C.	**Present Offer to the public in terms of this Prospectus comprising:**		210.00	1,512.00
	Fresh Issue			
	11,000,000	Equity Shares of Rs. 10 each fully paid up	110.00	792.00
	Offer for Sale by WIPL			
	1,289,000	Equity Shares of Rs. 10 each fully paid up	12.89	92.81
	Offer for Sale by PHL			
	1,105,000	Equity Shares of Rs. 10 each fully paid up	11.05	79.56
	Offer for Sale by TCL			
	966,000	Equity Shares of Rs. 10 each fully paid up	9.66	69.55
	Offer for Sale by TIHML			
	322,000	Equity Shares of Rs. 10 each fully paid up	3.22	23.18
	Offer for Sale by PIPL			
	1,578,000	Equity Shares of Rs. 10 each fully paid up	15.78	113.62
	Offer for Sale by IDFC			
	4,740,000	Equity Shares of Rs. 10 each fully paid up	47.40	341.28
D.	**Equity Capital after the Offer**			
	75,000,000	Equity Shares of Rs. 10 each	750.00	1,432.00
E.	**Share Premium Account**			
	Before the Offer		-	
	After the Offer		682.00	

The authorised share capital of the Company was increased from Rs. 700.00 mn divided into 70,000,000 Equity Shares of Rs. 10 each to Rs. 900.00 mn divided into 90,000,000 Equity Shares of Rs. 10 each through a special resolution passed at the Extra Ordinary General Meeting of the Company held on March 18, 2004.

On June 07, 2001, the shareholders of the Company approved the issue of up to 36,000 Warrants (each warrant entitle warrant holder to subscribe 100 Equity Share) to eligible employees and Directors of the Company under the ESOP Scheme. On September 28, 2002, an initial grant of warrants to acquire an aggregate of 568,000 Equity Shares was made to certain employees and Director of the Company.Further on May 01, 2004, second grant of warrants to acquire an aggregate of 167,500 Equity Shares was made to certain employees and Director of the Company.Of these, warrants for 34,000 equity shares have lapsed on termination of employment of employees and warrants for 701,500 equity shares are currently outstanding. For details, please refer to "Notes to the Capital Structure" at page 22 of this Prospectus.

GATEWAY DISTRIPARKS LTD.

Notes to the Capital Structure:

1. Share Capital History of GDL

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Date on which fully paid-up	Reasons for allotment (bonus, swap etc.)	Cumulative Share Premium (Rs. mn)
March 25, 1994	7	10	10	Cash	March 25, 1994	Subscription to Memorandum and Articles	Nil
March 23, 1995	36,993	10	10	Cash	March 23, 1995	Issue of Shares	Nil
November 05, 1996	1,963,000	10	10	Cash	November 05, 1996	Issue of Shares	Nil
September 16, 1997	13,918,600	10	10	Cash	September 16, 1997	Issue of Shares	Nil
September 26, 1998	8,081,400	10	10	Cash	September 26, 1998	Issue of Shares	Nil
September 30, 1999	3,000,000	10	10	Cash	September 30, 1999	Issue of Shares	Nil
February 16, 2001	9,000,000	10	10	Cash	February 16, 2001	Issue of Shares	Nil
July 09, 2001	10,200,000	10	25.49	Cash	July 09, 2001	Issue of Shares	158.00
October 30, 2001	1,800,000	10	10	Cash	October 30, 2001	Issue of Shares	158.00
January 15, 2003	16,000,000	10	10	Bonus	January 15, 2003	Bonus	Nil

2. The details of the Promoter's contribution locked in for three years are as under:

Name of the Promoter	Date of Allotment/ Acquisition	Date when made fully Paid-up	Consideration (Cash, bonus, kind, etc.)	No. shares (of face value of Rs.10 each)	Face Value (Rs.)	Issue Price (Rs.)	Percentage of pre-Issue paid-up capital	Percentage of Post-Issue paid-up capital	Lock-in Period
Parameswara Holdings Ltd	January 15, 2003	January 15, 2003	Bonus	2,520,000	10	Nil			3 Years
	February 16, 2001	February 16, 2001	Cash	630,000	10	10			3 years
			Total	**3,150,000**			**4.93%**	**4.20%**	
Windmill International Pte. Ltd	January 15, 2003	January 15, 2003	Bonus	2,205,000	10	Nil			3 Years
	September 30, 1999	September 30, 1999	Cash	735,000	10	10			3 Years
	September 26, 1998	September 26, 1998	Cash	735,000	10	10			3 Years
			Total	**3,675,000**			**5.74%**	**4.90%**	
Thakral Corporation Ltd	January 15, 2003	January 15, 2003	Bonus	2,205,000	10	Nil			3 Years
	September 30, 1999	September 30, 1999	Cash	735,000	10	10			3 Years
	September 26, 1998	September 26, 1998	Cash	735,000	10	10			3 Years
			Total	**3,675,000**			**5.74%**	**4.90%**	
Prism International Pvt Ltd	January 15, 2003	January 15, 2003	Bonus	2,935,000	10	Nil			3 Years
	February 16, 2001	February 16, 2001	Cash	1,565,000	10	10			3 Years
		Total		**4,500,000**			**7.03%**	**6.00%**	
Total				**15,000,000**			**23.44%**	**20.00%**	

Other than the above shares which are locked in for three years, 39,000,000 shares representing the Company's entire pre-issue share capital (except Equity Shares that are being offered for Sale in the Offer) shall be locked in for a period of one year from the date of allotment of this Offer.

Promoters contribution has been brought in not less than the minimum specified lot and from persons defined as promoters under the guidelines.

The Equity Shares will be locked in for the period specified above from the date of allotment of shares in this Offer. The Equity Shares to be locked in for a period of three years have been computed as 20% of the Equity Capital after the Offer.

Locked-in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions. In terms of clause 4.16 (b) of the SEBI Guidelines, Equity Shares held by the Promoters may be transferred to and amongst the promoter group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations, as applicable.

Further, in terms of clause 4.16 (a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Guidelines as amended from time to time.

3. Shareholding Pattern

Shareholding pattern of the Company before and after the Offer:

Category	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage	Number of Equity Shares	Percentage
Promoters:				
Parameswara Holdings Limited	9,072,000	14.18%	7,967,000	10.62%
Windmill International Pte. Ltd.	7,644,000	11.94%	6,355,000	8.47%
KSP Logistics Limited	2,940,000	4.59%	2,940,000	3.92%
Thakral Corporation Limited	7,644,000	11.94%	6,678,000	8.91%
Thakral Investments Holdings (Mauritius) Limited	2,940,000	4.59%	2,618,000	3.49%
Prism International Pvt .Ltd.	10,796,000	16.87%	9,218,000	12.29%
P K Gupta	2,404,000	3.76%	2,404,000	3.21%
Sub Total	**43,440,000**	**67.87%**	**38,180,000**	**50.91%**
Others:				
Infrastructure Development Finance Company Limited	12,240,000	19.13%	7,500,000	10.00%
Aranda Investments (Mauritius) Pte. Limited	6,400,000	10.00%	6,400,000	8.53%
Individuals	1,920,000	3.00%	1,920,000	2.56%
Public	Nil		21,000,000	28.00%
Total	**64,000,000**	**100.00%**	**75,000,000**	**100.00%**

Note:

KSP Logistics has pledged 2,940,000 shares with the United Overseas Bank, Singapore. These shares do not form part of the Promoter's contribution

Prism International Pvt. Ltd., Prem Kishan Gupta jointly with Mamta Gupta and Mr. Prem Kishan Gupta have pledged 4,718,000 shares, 1,516,965 shares and 887,035 shares respectively with Infrastructure Leasing & Financial Services Ltd. These shares do not form part of the Promoter's contribution.

4. Equity Shares held by the top ten shareholders

The list of top 10 shareholders of the Company is as follows:

As on the date of filing of the Prospectus with RoC:

Sr. No.	Name of the Shareholders	Number of Equity Shares
1	Infrastructure Development Finance Company Limited	12,240,000
2	Prism International Private Limited	10,796,000
3	Parameswara Holdings Limited	9,072,000
4	Windmill International Pte. Limited	7,644,000
5	Thakral Corporation Limited	7,644,000
6	Aranda Investments (Mauritius) Pte. Ltd.	6,400,000
7	KSP Logistics Limited	2,940,000
8	Thakral Investments Holdings (Mauritius) Limited	2,940,000
9	Mr. Prem Kishan Gupta	1,516,965
10	Mr. Prem Kishan Gupta & Mrs. Mamta Gupta	887,035
	Total	**62,080,000**

Ten days prior to the date filing the Prospectus with RoC:

Sr. No.	Name of the Shareholders	Number of Equity Shares
1	Infrastructure Development Finance Company Limited	12,240,000
2	Prism International Private Limited	10,796,000
3	Parameswara Holdings Limited	9,072,000
4	Windmill International Pte. Limited	7,644,000
5	Thakral Corporation Limited	7,644,000
6	Aranda Investments (Mauritius) Pte. Limited	6,400,000
7	KSP Logistics Limited	2,940,000
8	Thakral Investments Holdings (Mauritius) Limited	2,940,000
9	Mr. Prem Kishan Gupta	1,516,965
10.	Mr. Prem Kishan Gupta & Mrs. Mamta Gupta	887,035
	Total	**62,080,000**

Two years prior to the filing the Prospectus with RoC:

Sr. No.	Name of the Shareholders	Number of Equity Shares
1	Infrastructure Development Finance Company Limited	13,600,000
2	Prism International Private Limited	11,740,000
3	Parameswara Holdings Limited	10,080,000
4	Windmill International Pte. Limited	8,820,000
5	Thakral Corporation Limited	8,820,000
6	KSP Logistics Limited	2,940,000
7	Thakral Investments Holdings (Mauritius) Limited	2,940,000
8	Mr. Prem Kishan Gupta	15,43,632
9	Mrs. Mamta Gupta	8,87,035
10	Mrs. Mamta Gupta	496,000
	Total	**61,866,667**

5. Details of the aggregate post issue Shareholding of the Promoter Group are as under:

Sr. No.	Particulars	No. Of Shares Held
1	Parameswara Holdings Limited	7,967,000
2	Windmill International Pte. Ltd	6,355,000
3	KSP Logistics Limited	2,940,000
4	Thakral Corporation Limited	6,678,000
5	Thakral Investment Holdings Mauritius Ltd	2,618,000
6	Prism International Pvt. Ltd.	9,218,000
7	Mr. Prem Kishan Gupta	2,404,000
	Total	**38,180,000**

No company in the promoter group other than the Promoters hold any shares in GDL. The directors of the Promoters currently hold 1,440,001 Equity Shares.

6. The aggregate number of securities purchased or sold by the Promoter Group and the Directors during a period of six months preceding the date on which this Prospectus is filed with RoC, are as stated below:

Sr No.	Transferor	Transferee	No. Of Equity Shares	Price per Equity Share (Rs.)
1	Parameswara Holdings Limited	Aranda	1,008,000	32
2	Windmill International Pte. Limited	Aranda	1,176,000	32
3	Thakral Corporation Limited	Aranda	1,176,000	32
4	Prism International Private Limited	Aranda	944,000	32
5	Mrs. Mamta Gupta	Aranda	496,000	32
6	Mr. Gopinath Pillai	Aranda	26,667	32
7	Mr. Shabbir Hakimmudin Hassanbhai	Aranda	26,667	32
8	Mr. Karan Singh Thakral	Aranda	26,667	32
9	Mr. Sat Pal Khattar	Aranda	26,667	32
10	Mr. Prem Kishan Gupta	Aranda	26,667	32

The above transfer of shares was done on November 23, 2004.

7. Buyback and Standby Arrangements

For details of buy back arrangements, please refer to the section titled "Brief History of Company" on page 49 of this Prospectus.

8. As of the date of this Prospectus, there are no outstanding financial instruments, warrants, options or rights to convert debentures, loans or other instruments into Equity Shares or any other right, which would entitle the existing Promoters or shareholders, or any other person any option to receive Equity Shares after the offering, other than the outstanding options granted under the ESOP scheme.

9. The Company has raised a bridge loan of Rs 370 million from IDFC, which is to be repaid from the proceeds of this Offer.

10. Employee Stock Option

The Company has introduced an ESOP scheme namely ESOP-2001, pursuant to the resolution passed by the shareholders at the EGM held on June 07, 2001. Options under the ESOP scheme have been granted to eligible employees and Directors on two dates December 02, 2002 (ESOP-1) and May 01, 2004 (ESOP-II). ESOP-I and ESOP-II have a vesting period of two years till April 01, 2005 and May 01, 2006 respectively and an exercise period of three years therefrom April 02, 2005 and May 01, 2006 till April 02, 2008 and April 30, 2009 respectively The present ESOP schemes of the Company are in conformity with the SEBI Guidelines.

The ESOPs are administered by the ESOP Committee, which determines the terms and conditions of the options vested/ granted. Under the said ESOP schemes, no equity shares have been issued till date.

Each option, on exercise, entitles the eligible employee /Director concerned, on payment of the exercise price, to receive 100 Equity Share of Rs.10/- Each.

No employee has received options entitling him/her to subscribe to more than 1% of the Equity Share capital of the Company during the last/current fiscal.

	Particulars	ESOP – I (02-03)	ESOP – II (04-05)	Cumulative Basis
		At face value of Rs. 10	At a face value of Rs. 10	
a.	Options Granted (net of options cancelled)	5,445	1,570	7,015
b.	Exercise Price per Equity Share	Rs.10.00	Rs. 22.50	-
c.	Options Vested	-	-	-
d.	Options Exercised	-	-	-
e.	Options Lapsed or Cancelled	235	105	340
g.	Variation of terms of options	-	-	-
h.	Money realized by exercise of options	-	-	-
i.	Total number of options in force (vested)	-	-	-
j.	Person-wise details of options granted to:			
	Directors and key managerial employees	Please see Table (1) below	Please see Table (1) below	-
	Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	Please see Note 5 below	Please see Note 5 below	-
	Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-	-

	Particulars	ESOP – I (02-03)	ESOP – II (04-05)	Cumulative Basis
k.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options	FY 2003-2004 Rs. 2.98		
l.	Vesting Schedule	April 02, 2005	May 01, 2006	-
m.	Lock-in	As per SEBI Guidelines	As per SEBI Guidelines	-

Each stock option entitles the holder to receive One Hundred Equity Shares of Rs 10/- each of the Company on payment of the exercise price.

Under ESOP – I, 5,680 options were granted to 16 employees, out of which 235 options have been cancelled as 6 employees have resigned and 5445 options now remain outstanding.

Under ESOP – II, 1,675 options were granted to 18 employees, out of which 105 options have been cancelled as 1 employee has resigned and 1570 options now remain outstanding.

As per section 15.3 (a) of SEBI ESOP Guidelines, the impact on EPS for FY 2002-2003 and FY 2003-2004 is nil and Rs.0.01 respectively.

Details regarding options granted to Directors and key managerial personnel are set forth below:

S. No.	Name of Director or key managerial personnel	Number of options granted	Number of Equity Shares of Rs.10/- each issuable upon exercise of options
Directors			
1.	Mr. Kirpa Ram Vij (ESOP-I)	5,000	500,000
Key Managerial personnel			
2	Mr. Kapil Anand (ESOP-I)	200	20,000
	Mr. Kapil Anand (ESOP-II)	400	40,000
3	Mr. R. Kumar (ESOP-II)	400	40,000
4	Mr. Jacob Thomas (ESOP- II)	100	10,000

None of the options granted have vested. The earliest date of vesting is April 02, 2005.

Each of the options holder have given an undertaking that they do not have any intention of selling the shares which would result from the excerise of options granted within a period of 3 months from the date of listing of the shares of GDL.

11. In case of over-subscription in all categories, not more than 50% of Offer shall be allocated on a discretionary basis to Qualified Institutional Buyers. Further, not less than 25% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 25% of the Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Offer Price. Under-subscription, if any, in any of the category would be allowed to be met with the spill over from any other category at the sole discretion of the Company and the BRLMs.

12. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Offer, i.e., 21,000,000 Equity Shares, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

13. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue, public issue or in any other manner during the period commencing from submission of the Red Herring Prospectus with SEBI until the Equity Shares offered through this Prospectus have been listed or application monies refunded on account of non-listing/undersubscription.

14. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Offer, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into, exchangeable into, whether directly or indirectly, of the Company's Equity Shares) whether preferential or otherwise (except ESOPs, if any).

15. The Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash other than those disclosed elsewhere in this Prospectus. For details please refer to note no.1 given under this section.

16. At any given point of time, there shall be only one denomination for the Equity Shares of GDL, unless otherwise permitted by law and GDL shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

17. An over-subscription to the extent of 10% of the Offer to the public can be retained for the purpose of rounding off to the nearer multiple of 100 while finalising the allotment.

18. The Company had 18 members as of the date of filing of the Prospectus with RoC.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing and raise capital for financing the repayment of bridge loan availed from Infrastructure Development Finance Company Limited ("IDFC"), part finance expansion of the CFS at Mumbai and to fund acquisition of business and assets. The objects of the Offer are stated below:

- Repayment of bridge loan from IDFC
- Part finance expansion of existing facilities at CFS, Navi Mumbai
- Fund acquisitions of business / assets and strategic initiatives
- To meet Offer expenses
- To list the Equity Shares of GDL on the Stock Exchanges. The listing of the Equity Shares will enhance the visibility and brand image and provide liquidity to its shareholders and to the employees who hold stock options under the ESOP plan

GDL will not receive any proceeds of the Offer for Sale of Equity Shares by the Selling Shareholders.

The main objects clause and objects incidental and ancillary to the main objects of the Memorandum of Association enable GDL to undertake its existing activities and the activities for which the funds are being raised through this Fresh Issue.

REQUIREMENT OF FUNDS, PROJECT COST AND MEANS OF FINANCE

The above mentioned proposed expenditure program will be entirely financed from the proceeds of this Fresh Issue. The break-up of the utilization of funds in the proposed capital expenditure program and other expenses is as under:

(Rs. mn)

Particulars	**Amount**	**Amount**
Repayment of bridge loan		
Acquisition of CFS, Chennai	270.00	
Upgradation of facilities at ICD, Garhi Harsaru	57.88	
Expansion of existing facilities at CFS, Mumbai	42.12	370.00
Part finance expansion of existing facilities at CFS, Mumbai		32.13
Fund acquisitions of business / assets and strategic initiatives		329.87
Offer Expenses		60.00
TOTAL		**792.00**

Year-wise deployment in next two years

(Rs. mn)

Particulars	**2004-05**	**2005-06**	**TOTAL**
Repayment of bridge loan			
Acquisition of CFS, Chennai	270.00	0.00	270.00
Upgradation of facilities at ICD, Garhi Harsaru	57.88	0.00	57.88
Expansion of existing facilities at CFS, Mumbai	40.00	0.00	40.00
Part finance expansion of existing facilities at CFS, Mumbai	0.00	34.25	34.25
Fund acquisitions of business / assets and strategic initiatives	0.00	329.87	329.87
Issue Expenses	60.00	0.00	60.00
TOTAL	**427.88**	**364.12**	**792.00**

MEANS OF FINANCE

GDL proposes to finance the above fund requirements of Rs 792 mn. through the proceeds of the Fresh Issue.

In case funds raised in the Fresh Issue are lower than the total budgeted requirements, GDL intends to use internal accruals to finance the shortfall. As per audit report submitted by the Statutory Auditors, dated February 11, 2005, the free cash and cash equivalents for , eight month ended November 30, 2004, the year ended March 31, 2004 and March 31, 2003 was Rs 32.96 mn, Rs 62.10 mn and Rs 67.51 mn respectively. In the event that the funds raised in the Fresh Issue are higher than the total budgeted requirements, GDL intends to use the surplus funds to fund any possible future acquisitions.

As of February 14, 2005 GDL has incurred an expenditure of Rs. 322.21 mn on the project as per the certificate from Rakesh Garg & Associates, Chartered Accountants dated February 14, 2005. The details of work done and expenditure incurred under each head is as shown under:

(Rs. mn)

Particulars	Amount
Upgradation of ICD Garhi	38.76
Acquisition of CFS, Chennai	270.00
Issue Expenses	13.45
TOTAL	**322.21**

REPAYMENT OF BRIDGE LOAN

GDL has obtained a bridge loan of Rs 370 mn from IDFC. As per the Loan Agreement dated November 30, 2004 the objective of taking the bridge loan was to finance the acquisition of the CFS at Chennai, finance upgradation of the facilities at the ICD at Garhi and finance other capital expenditure to be incurred by GDL at the CFS at Navi Mumbai and at the ICD at Garhi. The bridge loan carries an interest rate of 7.75%, payable monthly. As per the terms of the loan agreement dated November 30, 2004, GDL shall repay the entire bridge loan in a bullet repayment out of the proceeds of the Fresh Issue or from infusion of fresh equity capital from shareholders and/or strategic investors. Such repayment shall be not later than six months from the date of the first disbursement (30 November 2004).

A) **ACQUISITION OF CFS AT CHENNAI:** Indev Warehouse and Container Services Pvt. Ltd. (Indev) operates a CFS catering to the demand of containerised traffic at the Chennai. On December 1, 2004, GDL acquired 100% of the shareholding of Indev as a going concern from Mr. Madanlal J Hinduja, Mr. Rajendra J Hinduja, Mr. Dinesh J Hinduja, and S Xavier Britto and all outstanding liabilities including the outstanding unsecured loan of Rs 135.71 mn for a total consideration of Rs 270 mn.

   On December 01, 2004, GDL executed a share purchase agreement (enclosed as part of material documents) and a deed of novation (enclosed as part of material documents) with the above parties and Indev Warehouse and Container Services Pvt. Ltd. whereby GDL acquired all the assets and liabilities (including unsecured loans of Rs. 135.71 mn, carrying an interest rate of 6% per annum extended by the erstwhile shareholders of the Company) of Indev as appearing in the audited accounts as on October 31, 2004.

   In terms of the share purchase agreement and the deed of novation, it was agreed between GDL and the erstwhile shareholders that GDL shall acquire 100% of the shareholding at a price of Rs 134.29 mn and also discharge the outstanding unsecured loan of Rs 135.71 mn due and payable by Indev to the erstwhile shareholders. The unsecured loans will carry an interest at the rate of 8% per annum and shall be repaid over a period of seven years.

B) **UPGRADATION OF FACILITIES AT ICD, GARHI HARSARU**: GDL acquired the ICD facility on an asset sale basis. After conducting a detailed inspection of the site and based on the experience of handling a CFS at Navi Mumbai, the management chalked out a modernisation and upgradation plan to bring up the facility to GDL standards. The estimated expenditure to be incurred for the modernisation and upgradation plan is detailed in the table below:

(Rs. mn)

Particulars	Amount
Refurbishment of warehouse / paving of container yard	41.90
Installation of fire fighting equipment	12.63
Electrical Installations	3.35
TOTAL	**57.88**

Civil work at the ICD facility will include development of the container yard and refurbishing the existing warehouse along with construction of underground water tank and other miscellaneous works.

Refurbishment of the Warehouse/ paving of container yard: An area of 13,000 square meters of the existing warehouses will be cleaned, plastered, re-floored, strengthened and reinforced, water proofed, painted, and configured for demarcating storage space. An area of 25,650 square meters will be paved with concrete paver blocks of M45 grade, laid in proper line, level, grade, etc on a 50 mm thick clean bedding. This will make the container yard equipped to handle the load of the reach stacker movements and stacking up to 5-high at the container yard. GDL is also building an underground water tank for storage to provide adequate fire fighting safety coverage, development and upgradation of office premises, waterproofing and developing additional toilet units. The contract for the above has been awarded to M/s Precise Engineers.

Electrical Installation: A detailed study of requirement of electrification infrastructure at the existing facility at the ICD was conducted by M/s Power Web. Based on the study, GDL has awarded a contract to M/s Rohit Electrical to supply and install 750 KVA transformers, 500 KVA DG Set, high tension panel boards, L. T boards and distribution boards.

Fire-fighting and allied work: M/s Sunil Services had conducted a study on the requirement of fire-fighting infrastructure at the facility. GDL has on the basis of the above study awarded a contract to M/s Precise Engineers to supply and install fire hydrants including plumbing pipes, landing valves and fire panel boards.

Schedule of Implementation: The schedule of implementation for the modernization and upgradation of the facility is stated below:

Activity	Commencement Date	Completion Date
Finalization of detailed engineering for the warehouses	April 2004	May 2004
Civil works	July 2004	December 2004
Fire fighting and allied work	October 2004	December 2004
Electrical Installation	October 2004	January 2005

Status: The upgradation of the facility commenced and completed as per schedule.

C) **EXPANSION OF EXISTING FACILITY AT CFS, NAVI MUMBAI:** GDL had appointed M/s Rajani Associates to undertake the preliminary study of the area and design the warehouse and open yard based on the requirement identified by GDL in April 2004. Based on the design specifications and recommendations of the consultant, GDL has received quotations from various contractors for developing the warehouse and the container yard. The contract has been awarded to Engineered Construction Systems in December 2004

GDL will construct an additional two-storey warehouse on the existing plot of land which will have a built up space area of 6,330 sq. m. and also develop 5,130 sq. m. of open area for container stacking and truck movement. The break-up of the proposed expenditure of Rs 74.25 mn is as stated below:

(Rs. mn)

Development Plan	Area in Sq. Mtrs	Expected Cost
Construction of two- storey warehouse along with the deck slab	6,330	66.85
Development / asphalting of open area	5,130	7.40
TOTAL		**74.25****

** GDL proposes to use part of the proceeds of the bridge loan amounting to Rs 42.12 mn towards expansion of the existing facilities.

Schedule of Implementation: The schedule of implementation for the expansion of the facility is stated below:

Activity	Commencement	Completion
Piling Work	December 2004	March 2005
Construction of Warehouse / Yard	February 2005	November 2005

Status: The warehouse and container yard will be set-up on the available land that exists at GDL's Navi Mumbai facility. GDL has commenced work in the first week of January 2005.

ACQUISITION OF BUSINESS / ASSETS AND INVESTMENT IN STRATEGIC INITIATIVES

GDL seeks to further consolidate its position in the CFS industry through the acquisition of CFSs attached to important / upcoming container terminals and ICDs located at important catchment areas. In addition to continued investments in expansion of its reach, GDL has identified acquisitions of either businesses or assets including immovable property as one of its key growth strategies. Towards this end, GDL intends to pursue strategic initiatives either organically or through acquisitions of companies with the following attributes:

- CFSs located at important port destination or CFSs catering to new container terminals
- Rail head ICD located at important catchment areas
- Domain expertise in Information Technology
- Expertise in providing supply chain solutions and management

OFFER EXPENSES

The Offer expenses consists of underwriting fees, fees payable to the BRLMs, selling commission, legal advisors, bankers to the Offer, escrow bankers, registrar, printing and stationery expenses, advertisement and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. GDL intends to use Rs 60 mn towards the expenses for the Offer. All expenses with respect to the Offer will be borne by GDL.

The proceeds of the Fresh Issue would be used by GDL to meet all or any of the uses of funds described above. Pending any use as described above, GDL intends to invest the funds in high quality, interest bearing liquid investments including deposits with banks for the necessary duration. Such investments would be in accordance with the investment policies as approved by the Board of Directors from time to time.

No part of the Offer proceeds will be paid by GDL as consideration to Promoters, Directors, key management personnel, associate or group companies except the proceeds of the Offer for Sale which shall be paid to the respective Selling Shareholders.

MONITORING OF UTILIZATION OF FUNDS

The Audit Committee appointed by the Board will monitor the utilization of the proceeds of the Offer.

INDUSTRY

Overview:

Containerisation is the method of packing goods in reusable containers of uniform shape and size for transportation. Containerisation also means an article of transport equipment intended to facilitate the carriage of goods by one or more modes of transport, without intermediate loading. Goods normally are of different shapes and in different quantities, but when packed and shipped in containers, it can be handled, as a single piece thus making it a lot easier to transport.

Before containerisation, handling and transport of cargo was done piece by piece and hence was time consuming. With the arrival of containerisation, shippers started stuffing their goods into containers and delivered them to the port container yard for shipment. Containerised transport succeeded because it ensured safety of goods transported, reduction in the packing cost and multiple handling risks and also increased the speed of transportation. Containerisation also enables intermodal transport, i.e the total movement from the origin to the destination, using different modes enroute like roadways, railways, shipping, airlines etc.

The popularity of containerisation is due to the fact that packing goods even in substantially lighter wooden or metal casings ensures easier transshipment and more importantly can be used for an estimated 75% of the total general cargo volume. Containerisation solved the problem of congestion in harbors because of increased efficiency in handling of cargo, leading to quicker turnaround times for container vessels.

Containers come in different types and shapes. The standard lengths are 10 feet, 20 feet, 30 feet 40 feet and 45 feet but the most common containers are 20 feet (TEU) and 40 feet (FEU) containers. Standardisation of containers promoted mechanized form of cargo handling. Ease of handling cargo in containerised form shifted the focus from disparate transport activities towards a transportation chain. Without rehandling of goods, containerised cargo can be transferred from terminal to terminal or directly from producer to consumer (door-to-door transport). The upscaling and integration of cargo transport marked the arrival of a transport revolution.

This revolution spread rapidly in developed countries and in port hubs like Hamburg, Rotterdam, Singapore and Hong Kong. Between 1968 and 1974, the number of container transshipments steadily rose from 150,000 TEU to 1,107,000 TEU at the largest European harbour, the Rotterdam harbour. The acceptance of containerisation of general cargo progressed steadily over the last decade and nearly 80 per cent of the global general cargo volumes generated are shipped in containerised form. (Source: ISL's SSMR, June 2004)

Shipping lines have been the major proponents of containerisation. Recognizing the potential of improving efficiency through containerised cargo, shipping lines constructed ships that were dedicated for containerised cargo movement. In a short span of 4 decades, the handling capacity of a dedicated container fleet was comparable to the handling capacity of a general cargo fleet. As of January 1, 2004, the fully dedicated container fleet stood at 3,036 ships with 90.20 mn dwt capacity and the general cargo fleet comprised 16,487 ships with 95.20 mn dwt capacity. (Source: ISL's SSMR, June 2004)

The fleet of ships that handle containerised cargo is concentrated among a few shipping lines. Approximately 75% of the global TEU capacity is controlled by 15 shipping lines. Maersk Sealand, Mediterranean Shipping Corporation (MSC) & Evergreen are the largest independent "global players" in this market contributing to over 56% of the world TEU capacity. Leading global alliances like CMA – CGM, CHKY Alliance (Hanjin, K-line, Cosco & Yang MIng), Wan Hai/ PIL, Grand Alliance (P&O Nedloyd, Hapag Lloyd, NYK, OOCL), New World Alliance (VAPL, HMM, MOL, NOL) contribute to another 28% container cargo movement. (Source: ISL's SSMR, June 2004)

Containerisation in India

The trend towards containerisation picked up in India in the last decade. Improvement in port infrastructure and increased private participation in port infrastructure has seen development of modern container handling port terminals at JNPT, Mundra, Pipavav, Chennai and Vishakapatnam.

The economic reforms initiated in the early 1990s increased focus on international trade and globalisation of the Indian economy resulted in a substantial improvement in export-import trade. The setting up of JNPT and expansion into the second terminal fueled the growth of movement of cargo in containerised form. The table below illustrates the volume of cargo export / import trade of India.

Category wise traffic at Major Ports

('000 tonnes)

Year	Break bulk	Conventional dry bulk	Container	Liquid bulk	Mechanical dry bulk	Total
1994-95	15,009	34,967	15,358	87,694	44,234	197,262
1995-96	16,072	37,614	17,618	98,816	45,218	215,338
1996-97	14,775	39,267	20,590	106,243	46,382	227,257
1997-98	15,672	45,735	23,299	112,475	54,478	251,659
1998-99	17,851	49,451	23,782	117,649	42,987	251,720
1999-00	16,655	51,757	27,690	129,335	46,486	271,923
2000-01	15,223	57,335	32,222	119,887	56,438	281,105
2001-02	16,105	56,940	37,230	114,675	62,629	287,579
2002-03	20,399	51,413	43,673	121,519	76,525	313,529

Source: Infrastructure CMIE, March 2004

Movement of cargo through containerised mode of transport has been increasing and is growing at a fast pace when compared to the overall growth in export import trade. During the last decade, the export-import trade has grown from 197.3 mn tonnes in 1994-95 to 313.53 mn tonnes in 2002-03 at a CAGR of 5.3%. In the same period, movement in containerised form has increased from 15.4 mn tonnes to 43.67 mn tonne, registering a CAGR of 12.3%. The share of containerised cargo to total cargo has also increased from 7.8% in 1994-95 to 13.9% in 2002-2003.

JNPCT, along with NCIST, has played an important role in the containerisation of goods. NSICT was the first private sector initiative set up in association with P&O Ports in 1998-99. JNP accounted for 52.4% of the total containerised traffic handled out of India. CFSs located in and around the JNP region have benefited substantially from this growth.

Container Traffic at major ports

('000 tonnes)

Year	JNPT	% Share	Chennai	% Share	Others	% Share	All India
1994-95	2,929	19.1%	2,019	13.15%	10,410	67.78%	15,358
1995-96	4,069	23.1%	2,308	13.10%	11,241	63.80%	17,618
1996-97	5,078	24.7%	2,564	12.45%	12,948	62.88%	20,590
1997-98	6,050	26.0%	3,002	12.92%	14,177	61.03%	23,299
1998-99	8,029	33.8%	2,942	12.37%	12,811	53.87%	23,782
1999-00	10,679	38.6%	3,977	14.36%	13,034	47.07%	27,690
2000-01	14,277	44.3%	5,769	17.90%	12,176	37.79%	32,222
2001-02	18,484	49.6%	5,857	15.73%	12,889	34.62%	37,230
2002-03	22,864	52.4%	7,219	16.53%	13,590	31.12%	43,673

Source: Infrastructure CMIE, March 2004

JNPT has recently awarded a contract for the development of the third terminal to Gateway Terminals India Pvt. Ltd., a 74:26 joint venture between AP Moller (Maersk) and Container Corporation of India Ltd. The third terminal is expected to commence commercial operations in 2005-2006 and will increase the capacity of JNPT by 54% from 2.4 mn TEUs to 3.7 mn TEUs. JNPT has also initiated a proposal for a fourth terminal to be completed by 2007-08 with a capacity of 3 mn TEUs. [Source: JNPT Vision, Vision 2010] Addition of these capacities will enable JNPT to maintain its dominant market share, which will also result in the expansion of the CFS market.

A substantial portion of the export import traffic that is handled at JNPT originates /culminates in north India. The traffic gets distributed mainly amongst the ICDs located at Tughlakabad, New Delhi and Ludhiana. Currently, the container demand from the three satellite cities of New Delhi, i.e. Gurgaon, Noida and Faridabad is catered to by the Tughlaqabad ICD. The ICD at Tughlaqabad is a rail-head ICD and is owned and operated by Container Corporation of India Ltd. The ICD has over the past ten years registered a CAGR of 17% in volume of containers handled.

YEAR	THROUGHPUT (TEUs)
1993-94	71,366
1994-95	95,915
1995-96	1,25,591
1996-97	1,50,547
1997-98	1,63,808
1998-99	1,92,619
1999-00	2,21,062
2000-01	2,52,098
2001-02	2,80,853
2002-03	3,24,586

Source: EXIM

Gurgaon, Haryana has in the last few years emerged as an important industrial belt catering to prominent sectors like auto, auto ancillary, electronics etc. According to a study conducted by the IIFT, Haryana is an investor friendly state with considerable potential to absorb foreign investment. There are more than 530 large industrial units set up and more premium MNCs are in the process of setting business units here. Following are some of the developments that are being planned at Gurgaon. A 600-hectare Japanese Industrial Model Township (IMT) envisaging an investment of about Rs.20,000 mn. is being set up at Manesar, Gurgaon. Other projects under implementation include an Indo-Singapore Technology Park , an Export Promotion Industrial Park and setting up of India's largest satellite freight city for computerized customs clearance. Once these facilities become operational, the trade in and around Gurgaon is poised to increase manifold.

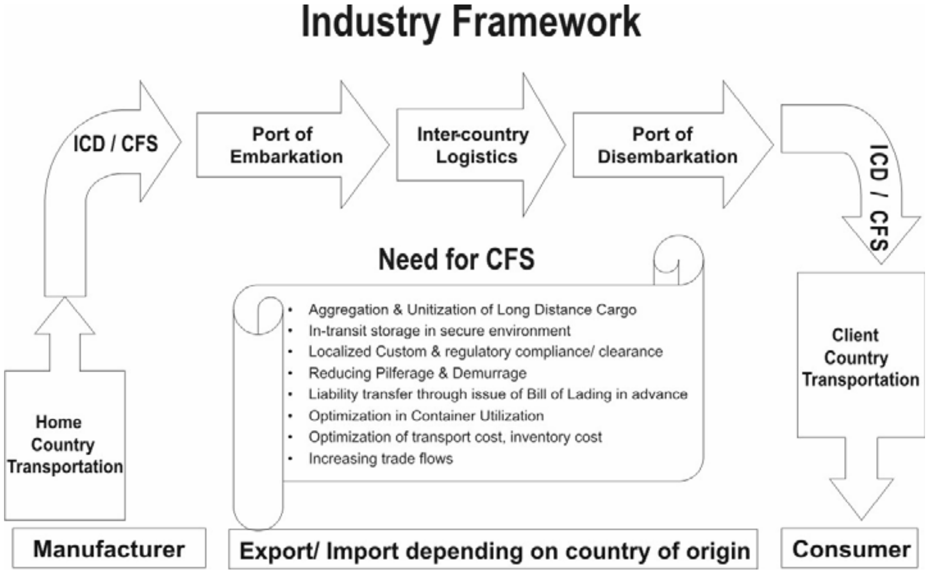
Container terminals on the eastern coast of India are ideally suited for demand of conatinerized traffic movement to and from important destinations like China, South East Asia, etc. The container terminal at Chennai has emerged as India's second largest container terminal. Privatization and the renewed thrust of expanding the Chennai container terminal and the addition of new and modern terminals at Vishakapatnam and Ennore port will add to the capacity of handling containerised traffic at the eastern coast substantially over the next three to five years.

CFS / ICD

CFSs and ICDs are facilities set-up for the purpose of in-transit container handling, examination and assessment of cargo with respect to regulatory clearances, both import and export. The CFSs / ICDs are an integral part of the logistics chain in relation to the movement of containerised cargo.

Functionally, there is no distinction between an ICD/CFS as both are transit facilities which offer services for containerisation of break-bulk cargo and vice-versa. An ICD is located in the interiors (outside the port towns) of the country away from the gateway ports. A CFS, on the other hand, is an off dock facility located near gateway ports which helps in decongesting the port by shifting cargo and customs related activities outside the port area. CFSs are largely expected to deal with break-bulk cargo originating/terminating in the immediate hinterland of a port and may also deal with road borne traffic to and from inland locations.

The diagram below illustrates the entire cycle associated with export - import trade and also the various elements involved in the process:



CFSs / ICDs are involved in export / import transaction both at the port of embarkation as well as the port of disembarkation. CFSs and ICDs play an important role in decongesting the port / harbor. As is evident from the illustration, in addition to value added services that a CFS/ICD provides, its primary role is that of facilitating clearance of the cargo for export out of a country or import into a country, consolidation & de-consolidation of cargo and leave the port to function as a mere transshipment point.

CFSs / ICDs are appointed as custodians of the imported goods by the Commissioner of Customs, under Section 45 of the Customs Act, 1962. The imported goods remain in the custody of such person as approved by the Commissioner of Customs until they are cleared for home consumption or are warehoused or are transshipped. As custodians for imported cargo under local legislation, a CFS/ICD is able to clear the goods imported and / or exported in a decentralized form. Distribution of CFSs in and around the port and of ICDs in the hinterlands has helped in a manifold increase in the handling capacity of ports.

Need for CFSs / ICDs

Ports and harbors, due to inherent structural and procedural constraints, could not accommodate the increased traffic in containerisable cargo. Such increase in container traffic necessitated ancillary facilities which could:

- ▲ Provide a place for speedy evacuation of import containers from the port;
- ▲ Provide a place where the activities like unitization, stuffing, de-stuffing and regulatory clearances could be undertaken;
- ▲ Act as a warehouse to ensure safety & security of cargo during in-transit storage;
- ▲ Provide a place for storage and transport of empty containers.

This led to the development of "distribution parks". Globally, distribution parks are referred to as "distriparks", which are typically congregations of warehouses in particular locations. The critical element behind the concept is the provision of extended logistics services given the increasing need for integrated logistics and value-added services. These distriparks are more popularly known as Container Freight Stations (CFS) and Inland Container Depots (ICDs).

Functions of ICDs / CFSs

The primary functions of ICDs/ CFSs may be summed up as under:

- Receipt and dispatch/delivery of cargo.
- Stuffing and stripping of containers.
- Transit operations by rail/road to and from gateway ports.
- Customs clearance.
- Consolidation and desegregation of cargo.
- Temporary storage of cargo and containers.
- Reworking of containers.
- Maintenance and repair of container units.

The operations of the ICDs/CFSs revolve around the following centres of activity:

Rail Siding - the place where container trains are received, dispatched and handled in a terminal. The containers are loaded on and unloaded from rail wagons at the siding through overhead cranes and / or other lifting equipments.

Container Yard – the container yard occupies the largest area in the ICD/CFS. It is the stacking area where the export containers are aggregated prior to dispatch to the port, import containers are stored till Customs clearance and where empty containers await onward movement. Likewise, some stacking areas are earmarked for storing special containers such as refrigerated containers, hazardous containers, overweight/over-length containers etc.

Warehouse - a covered space/shed where LCL/ bonded cargo is received and import cargo stored/delivered; containers are stuffed/stripped or reworked; export cargo is consolidated, import LCLs are unpacked and cargo is physically examined by the Customs authorities. Export and import consignments are generally handled in different nominated warehouses/sheds.

Gate Complex - The gate complex regulates the entry and exit of road vehicles carrying cargo and containers through the terminal. It is the place where documentation, security and container inspection procedures are undertaken to facilitate container interchange between the port and CFS/ICD.

Benefits of ICDs / CFSs

The benefits of an ICD/CFS are as follows: -

- Consolidation points for long distance cargo and its unitisation
- Service as a transit facility
- Customs clearance facility available near centres of production and consumption
- Reduced level of demurrage and pilferage
- No customs required at gateway ports
- Issuance of through bill of lading by shipping lines, thereby assuming full liability of shipments
- Reduced overall level of empty container movement
- Competitive transport cost
- Reduced inventory cost
- Increased trade flows

Work Flow

Exports:

Export cargo is brought in trucks and is stored in sheds / open yard. The exporter / customs house agent/ consolidator gives a requisition for moving empty containers, which are moved through the handling and transport contractor to the CFS from the shipping lines yard. Cargo is examined and stuffed in designated containers under the supervision of the customs authorities. The loaded container is moved by road on truck trailers to the port yard from the CFS and placed at designated places earmarked for containers of a particular vessel set to berth and sail on a predetermined time and date.

Imports:

Shipping line/ importer submits a request to the CFS for movement of container from the port to the CFS. A job order is issued by the CFS to the Handling & Transport Contractor ("HTC") who takes delivery of container from the port and brings it to the CFS. The import container is off loaded by reach stackers and stacked at a designated place by HTC. On receipt of request for delivery from the importer, the cargo in the container is examined and the importer pays the duty assessed to the customs authorities. Handling/storage charges are paid to the Company. The importer can take the examined container as such for factory destuffing or can bring empty trucks inside the CFS for loading the cargo from container to the trucks. With customs approval & under customs supervision, cargo intended for transshipment to other ICDs / CFSs are stuffed in other containers. The shipping line submits a request for the movement of empty import containers to their designated yard or for allotting the empty containers to an exporter for stuffing in the CFS. Based on the request, the empty containers are moved to the empty yard.

Customs Bonded Warehouse:

The importer submits a request with the CFS for storage of the examined goods in the bonded warehouse. The cargo is then stored inside the custom bonded warehouse.The importer pays the custom duty to the customs and charges to the CFS for part delivery of the goods taken out of the bonded warehouse.

Cargo not taken by importers:

After notice to importer and approval of customs for valuation, cargo not removed within 60 days is sold through public auction and proceeds are used to recover costs of auctions, customs duty and company's charges.

Revenue

Container H&T charges:

These charges are levied with respect to handling and transportation of containers from the port to the CFS / ICD. A CFS / ICD earns H&T charges on both exports as well as import consignments.

Ground rent:

Ground rent is charged for the number of days a container remains in the yard of the CFS / ICD. The ground rent charges follow an escalating scale with the rent per day increasing with the number of days that the container remains in the CFS. Ground rent is normally earned only on import containers as it is the customer's responsibility to clear the goods once it has reached the CFS / ICD. In case of exports, it is the primary responsibility of the CFS / ICD to move the loaded containers to the gateway port and hence no ground rent is earned.

Storage charges:

Warehousing charges are levied depending on the nature of warehousing requirement. In the case of import consignments, the CFS / ICD provides warehouse storage space. The CFS / ICD also earns storage income in the case of import of LCL cargo. CFSs and ICDs lease out warehouse spaces to shipping lines and consolidators for export cargo consignments and earn storage income. The warehouse space is provided on reserved (used/unused basis) or common user basis.

Other Service Charges:

In addition, other service charges levied on stuffing/de-stuffing charges, custom examination / reworking charges and on value added services like palletisation, shrink wrapping etc also generate income.

The Indian Regulatory Framework governing CFSs/ ICDs

To monitor the growth of ICDs/CFSs, a regulatory authority in the form of an Inter-Ministerial Committee under the chairmanship of the Additional Secretary (Infrastructure), Ministry of Commerce, has been set up. It comprises representatives from the Department of Revenue, Ministry of Surface Transport, Ministry of Railways and the Ministry of Commerce. The Committee considers the proposals submitted by public sector as well as private sector entrepreneurs for setting up of new ICDs/CFSs at different centres in the country and monitors their progress.

Existing Guidelines for approval of ICDs/CFSs

The proposal for setting up of ICDs/CFSs is examined by the IMC on the basis of following guidelines:

Feasibility report:

A survey/feasibility study must precede the setting up of ICDs/CFSs and a copy of the report should accompany the application for setting up such a facility. The facility has to be economically viable for the management and attractive to users, to the railways for full train movements; and to other transport operators; shipping lines; freight forwarders etc.

The clearance for setting up an ICD/CFS will be granted by the IMC, which bases its decisions, inter alia, on the feasibility reports submitted by the interested party. A separate copy of the application also needs to be submitted to the Commissioner of Customs, which will then render its comments on the merits of the application to the Ministry of Commerce. In case the project is in a port town, a copy of the proposal has to be submitted to the concerned port authority as well.

The concerned departments will submit their views and the final decision will be taken by the IMC. Once the proposal has been accepted, a letter of intent will be issued following which the applicant may initiate steps to create infrastructure. A quarterly progress report has to be submitted to the Ministry of Commerce. The applicant will have to put up the required infrastructure, meet the security standards of the Commissioner of Customs and also provide a bond backed by a bank guarantee to the Customs. The working of the ICD/CFS is always open to IMC scrutiny.

For approval of an ICD/CFS, following minimum level of traffic volume is prescribed:

- For ICDs - 6,000 TEUs per year (Two way)
- For CFSs - 1,000 TEUs per year (Two way)

Land requirements:

For the ICDs/CFSs proposed to be set up outside the limits of major cities, a minimum of 3 acres of land is required and for such facilities inside city limits /port area, a minimum area of 1 acre (about 4,500 sq. mts) is required.

Rail head ICDs:

For setting up a rail based ICD, the applicant has to bear the cost for all the infrastructure facilities, including land, track, handling equipment for containers, maintenance of assets including track, rolling stock etc. as per railway rules applicable to private sidings.

BUSINESS

OVERVIEW

GDL is a leading provider of port related logistics support services and is promoted by the Windmill group, the Thakral group and Parameswara Holdings Ltd. based in Singapore and Mr.Prem Kishan Gupta and Prism International Pvt. Ltd. based in India. GDL operates a container freight station (CFS) catering to the west-coast traffic through Navi Mumbai and an inland container depot (ICD) at Garhi Harsaru, Haryana, on the outskirts of Delhi to cater to the demand from the northern hinterlands. GDL has commenced work for a greenfield CFS at Vishakapatnam, to cater to the east-coast traffic. The Vishakapatnam CFS is being set-up as a subsidiary, Gateway East India Private Limited, which is a 60:40 joint venture with the Suri group. GDL has also recently acquired a 100% stake in Indev Warehouse and Container Services Pvt Ltd. ("Indev"). Indev operates a CFS catering to the east-coast traffic through Chennai. GDL proposes to use part of the Offer proceeds towards this acquisition.

The CFS at Navi Mumbai is located at a distance of 9 kms from JNP and was developed in 3 phases at a total cost of Rs 1,110 mn. The CFS is strategically located within the designated warehousing zone of JNP and is ideal to serve the industrial belt of Western India. JNP is India's largest container port accounting for 58% (Source: EXIM) of the total Indian container traffic movement and has achieved a throughput of 2.27 mn TEUs in 2003-04. JNP has recorded a CAGR of 29.2% from 173,071 in 1993-1994 to 2,268,989 in 2003–2004 (Source: EXIM) in the volume of container throughput handled over the past 10 years. JNPT has recently awarded a contract to set up the third terminal to handle containerized cargo that will add a capacity of 1.3 mn TEUs. The new terminal is likely to commence commercial operations in the third quarter of 2005-06. GDL is well positioned to take advantage of this growth potential at JNPT.

The Navi Mumbai facility has a capacity to handle 216,000 TEUs per annum. The CFS at Navi Mumbai has recorded a CAGR of 39.5% over the last four years, with total volume handled increasing from 34,442 TEUs in 1999-2000 to 130,345 TEUs in 2003-04. During the eight month period ended November 2004, the CFS at Mumbai achieved a throughput of 108,074, TEUs.

The primary purpose of starting operations with Navi Mumbai as a base was of building an anchor facility next to the largest port of the country and then expanding into other ports and the catchment areas in the hinterlands. After completion of phase II in 2001, which led to the facility at Navi Mumbai achieving profitability, GDL embarked on the implementation of its long-term strategy of expanding geographically to cater to important gateway ports and industrial hinterlands.

GDL identified an ICD at Garhi Harsaru and commenced negotiations to acquire the facility in the year 2002. After several rounds of negotiations and discussions, the facility was acquired by GDL on "Asset Sale" basis in April 2004 for a total consideration of Rs 177.5 mn. The ICD is strategically located to serve the markets of Gurgaon and the industrial belts of Daruhera and Maneser. The ICD at Garhi is located at a distance of 40 Kms west of Delhi and can also cater to the markets in Punjab, Rajasthan, Uttar Pradesh, Haryana and Delhi. Garhi Harsaru is a well connected location with strong multi-modal land access infrastructure connecting to multiple gateway ports on both east and west coasts of India.

GDL is presently upgrading the ICD to bring it upto GDL standards by refurbishing the warehouse and paving the existing container yard. The ICD at Garhi currently has a container handling capacity of 24,000 TEUs per annum.

GDL has additionally acquired 17.80 acres of land adjacent to the ICD, located along the broad gauge railway line passing through Jaipur and Delhi. GDL proposes to use this land to set-up railway sidings to connect the ICD to the gateway terminals through rail. GDL has obtained the approval from the Northern Railways to set-up the railway siding and has deposited Rs. 2.34 million towards way leave charges (cost of land) and Rs. 17.61 million towards construction of the siding. The engineers from the Railways have already surveyed the land and GDL has awarded the contract for levelling the land to be used for the siding to M/s Mohammad Aashon. GDL expects to complete the leveling by end February 2005. Construction of the railway siding is expected to be completed in the first quarter of 2005-06. The siding will be used for handling bulk cargo.

GDL is also expanding the facility further by developing an additional warehouse and a container yard. GDL proposes to fund this expenditure through internal accruals and/or debt. The ICD at Garhi has recorded a throughput of 4,720 TEUs during the first eight months of the current year.

GDL has recently executed a share purchase agreement and has acquired a 100% stake in Indev Warehouse and Container Services Pvt. Ltd. for a total consideration of Rs. 270 mn. The CFS at Chennai is situated on the 100 ft Ponneri High road and at a distance of 16 kms from the Chennai port, India's second largest container terminal port. The CFS can also cater to the upcoming container terminal at Ennore port, which is located at a distance of 14 kms from the facility.

The CFS currently has a capacity to handle 40,000 TEUs per annum and GDL expects to increase this capacity to over 50,000 TEUs per annum by reorganising the container yard. Indev recorded a throughput of 21,169 TEUs in 2003-04 as compared to 16,709 TEUs in 2002-03. During the first eight months of the current year, Indev has recorded a throughput of 22,196 TEUs.

The CFS at Vishakapatnam is being set up as a 60:40 joint venture with the Suri Group based in Andhra Pradesh and will cater to the new container terminal that has been set up by the JM Baxi group and the Dubai Port Authority. The CFS is located at a distance of 9 kms away from the container terminal. Work on phase 1 of the project has begun and the CFS is expected to commence operations in April 2005.

The CFS at Mumbai, the ICD at Garhi and the CFS at Chennai will act as the three hubs of GDL to cater to the demand traffic in the western, northern and southern regions of India respectively. These three facilities, along with the upcoming CFS at Vishakapatnam, make GDL the only private sector player with a pan-India presence.

GDL has been very judicious in financing its capital expenditure since inception. The first two phases were funded out of promoter's contribution of Rs. 360 mn and borrowings of Rs. 490 mn. The third phase was funded through a placement of shares to IDFC aggregating to Rs. 260 mn. Aranda, a registered FII and a wholly owned subsidiary of Temasek Holdings Pte. Ltd., Singapore acquired 64 mn shares of GDL from the existing shareholders at a price of Rs. 32 per share. GDL has repaid its debts substantially over this period of time and the gearing as on November 30, 2004 was 0.26.

GDL's financial performance over the last three years have seen revenues increase from Rs. 391.60 mn in 2001-02 to Rs. 597.58 mn in 2003-04, recording a CAGR of 23.5%. During the same period the net profit has more than doubled from Rs. 75.24 mn in 2001-02 to Rs. 191.30 mn in 2003-04. GDL recorded a total income from operations of Rs. 522.49 mn and a profit after tax of Rs. 165.97 mn for the eight month period ended November 30, 2004.

LOCATION AND FACILITIES

GDL has a total of 119.31 acres of land under its management at its three facilities; Dronagiri near Navi Mumbai, Garhi Harsaru near Delhi and Vishakapatnam.

Location	Title	Area (acres)
CFS Dronagiri, Navi Mumbai	Leasehold	35.00
ICD Garhi, Harsaru, Haryana	Freehold	45.74
CFS Chennai	Freehold	18.57
CFS Vishakapatnam	Leasehold	20.00
TOTAL		**119.31**

GDL acquired the land for the development of the CFS at Navi Mumbai from City Industrial Development Corporation of Maharashtra Limited (CIDCO) on a 60-year lease. The CFS is located 9 kms from JNP and 53 kms from Mumbai.

The ICD at Garhi is located on freehold land along the broad gauge railway line passing through Jaipur and Delhi and is at a distance of 40 kms from Delhi. The ICD is strategically located and is ideal to serve the industrial markets near Delhi. Of the total land owned by GDL, 33.63 acres (73.52 %) of land has not been converted for non-agricultural purposes. GDL is yet to apply for the conversion of this land.

The CFS at Vishakapatnam is being set up on land that has been taken on a 30-year lease from the Vishakapatnam Port Trust. The CFS is located at a distance of 9 kms from the port and will cater to the traffic movement at the new container terminal of Vishakapatnam.

As on November 30, 2004, GDL has a developed container yard totalling 121,094 sq. metres and 46,095 sq. meters of warehouse space spread across three of its facilities. The table below gives details of the increase in container yard and warehouse capacity, post expansion, which is currently being implemented by the Company:

Particulars	Area under Management (Sq. Mtrs)			
	Current Infrastructure**		Infrastructure Post Expansion	
	Container Yard	Warehouse	Container Yard	Warehouse
<u>CFS Mumbai</u>				
Phase I	20,000	17,980	20,000	17,980
Phase II	45,500	9,262	45,500	9,262
Phase III	23,230	6,338	28,360	13,206
ICD Garhi	32,364	12,545	32,364	12,545
CFS Chennai	-	-	17,250	6,400
TOTAL	**121,094**	**46,125**	**143,474**	**59,393**

** as at November 30, 2004

The container yard area at CFS Mumbai is specially paved with heavy-duty paver blocks for handling a load of 4-high container stacking including vibro stone column 10 meter deep ensuring a carrying capacity of 25 metric tons. Piling and reinforcement at the yard has been done to ensure minimum water logging at the yard during heavy rains and also ensure longer life of the facility through proper reinforcing and support. GDL has a separate area of 3,600 sq. meters for container repair, washing and maintenance services.

The container yard at ICD, Garhi is water bound mecadam paved and is not ideal for container stacking 4-high. GDL is re-paving the yard with concrete paver blocks of M45 grade on a 50 mm thick clean bedding. This will make the container yard equipped to handle the load for reach stacker movement and for stacking upto 5-high.

The warehouses at the CFS and ICD can cater to both export and import business. Of the total warehouse space of 46,095 sq meters, around 38% of warehouse space totalling to 17,339 sq. metres has been earmarked as bonded warehouse. All the warehouses are well equipped with forklifts for movement of cargo and have lock-fast facility to take care of sensitive cargo.

Each of the CFS and ICD has administration blocks, which is used by GDL's staff for running the day- to- day operations. GDL also leases out space to its regular customers. The administration blocks are also provided to the customs authorities to enable smooth operations. At the CFS at Navi Mumbai, GDL has provided a fully furnished air-conditioned office with wireless connectivity to the EDI center of JNP through ICEGATE network on a real time basis. The customs house at GDL acts as an extension of the port for all practical purposes. Similar facilities are also being extended to the Customs officials at the ICD.

Equipment: The CFS at Navi Mumbai is one of the few CFSs that has invested in and owns H&T equipment. GDL has, in the last one year, purchased 7 reach stackers and 71 tractor-trailers. Reach stackers are used for movement of containers within the CFS and tractor-trailers are used for transporting containers between the CFS and the port.

	CFS Mumbai		**ICD Garhi**	
Equipment	**No of Equipment**	**Capacity**	**No of Equipment**	**Capacity**
Reach Stackers	7	40 tonne	-	-
Tractor Trailers	71	2 TEUs	-	-
Cranes	-	-	2	60 / 10 tonne
Forklifts	14	3/5 tonne	2	3 tonne
Weighing Scales	5	2 / 1 tonne	1	1 tonne
DG Sets	2	640 KVA	2	150 KVA
Transformers	2	880 KVA	-	-
Weigh Bridge	1	60 tonnes	1	60 tonne

Utilities: The main utilities used at the CFS are power and water. The maximum power demand is estimated at 640 KVA. This is sourced from the Maharashtra State Electricity Board (MSEB). The Company has entered into an agreement with MSEB for 880 KVA of electricity. Further, GDL also has 2(two) DG sets (total 640 KVA) in the facility which can supply 100% electricity in case of any major power failure. The per day requirement of water per day at the CFS is 77.05 cu. mt. This is met from water supply from CIDCO.

The main utilities used at the ICD are power and water. The maximum power demand is estimated at 800 KVA for the full facility. However, the current maximum demand is 55 KVA. This is sourced from the Haryana State Electricity Board (HSEB). The Company has entered into an agreement with HSEB for 100 KVA of electricity. Further, GDL also has 2 (two) DG sets (total 150 KVA) in the facility which can supply 100% electricity in case of any major power failure. GDL sources its requirement for water from borewell.

Information Technology: Gateway has a 5-member dedicated IT team which develops and customizes packages for managing the operations at its facilities. The services are also outsourced on a need basis.

GDL has implemented Warehousing Operations and Planning System (WOPS), a software that helps in capturing and tracking of movement of all cargo and containers at its facility. This package is linked to the standard accounting package and is also used for reporting key operational information.

The entire facility at Navi Mumbai is linked using a fibre optic backbone connected through switches and routers. The entire network runs on 100% UPS backup. The system is designed to give connectivity to both in-house customshouse and customers for exchange of relevant data. GDL is connected to the customs house through both wireless and leased lines.

The key features of the system are:

1. Linked to in/out gate complex, warehouses and administrative blocks to ensure on-time availability of all movements of goods within the premises,
2. Inventory management and
3. Smooth monitoring through user access governed MIS reports on a periodic basis.

Business and Operations: GDL's business operations revolve around handling and transport of containerised export / import cargo.

GDL provides the following services with regard to an import transaction:

1. Transport the container from the port to the CFS
2. Facilitate customs examination of goods
3. Assist the customer in clearing the documents and making payment of customs duties
4. Provide general / bonded warehouse support, if required
5. Delivery of goods as full container load
6. De-stuffing and delivery of goods, in case of less than container load

The following services are also provided for export consignments, which are mainly to consolidators:

1. Dedicated warehouse space for consolidation of export consignments
2. Value added services like sorting, bar coding, shrink wrapping and palletisation
3. Stuffing into containers
4. Facilitate customs examination
5. Transporting the container to the port for shipment

As on November 30, 2004, GDL had a total capacity to handle a throughput of 240,000 TEUs per annum. The break-up of this capacity at the various locations is given as under.

Location	**Capacity (TEUs)**
CFS, Dronagiri, Navi Mumbai	216,000
ICD, Garhi, Harsaru, Haryana	24,000
TOTAL	**240,000**

The total capacity will increase to 292,000 TEUs per annum on acquisition of the CFS at Chennai and after implementation of the current expansion programme. The break-up of capacity, post expansion, and upgradation at various locations is given as under:

Location	**Capacity (TEUs)**
CFS, Dronagiri, Navi Mumbai	216,000
ICD, Garhi, Harsaru, Haryana	36,000
CFS, Chennai	40,000
TOTAL	**292,000**

The CFS at Navi Mumbai recorded a CAGR of 27.5% over the last two years in the number of TEUs handled. The ICD is currently in the process of being upgraded and has achieved a throughput of 4,720 TEUs for the period April to November 2004.

Particulars	April – Nov. 2004		2003-04		2002-03		2001-02	
	TEUs	% ge	TEUs	% age	TEUs	% age	TEUs	% age
Exports	27,931	25.84%	33,941	26.04%	19,313	20.79%	16,398	20.47%
Imports	80,143	74.16%	89,644	68.77%	68,022	73.23%	57,143	71.33%
Others*	0	0.00%	6,760	5.19%	5,550	5.98%	6,566	8.20%
TOTAL	**108,074**	**100.00**	**130,345**	**100.00**	**92,885**	**100.00**	**80,107**	**100.00**

** Others include buffer yard / empty containers*

In addition to the basic services, GDL also provides the following value added services – dedicated warehouse space to consolidators, general and bonded warehousing service, bar code scanning and label verification, palletizing, shrink wrapping haulage, trucking, carting and pick and pack services. GDL's revenues from providing all the above services during the last three years has been tabulated as under:

Particulars	Apr-Nov 2004		2003-2004		2002-2003		2001-2002	
	Rs. mn	% age	Rs. mn	% age	Rs. mn	% age	Rs. Mn	% age
Income from Operations								
Ground rent	150.37	28.54%	155.83	26.08%	147.52	32.00%	138.15	35.28%
Container storage, handling and Repair	313.39	59.49%	358.17	59.94%	246.96	53.56%	207.15	52.90%
Service charges	29.23	5.55%	45.04	7.54%	23.98	5.20%	16.41	4.19%
Auction sales	29.50	5.60%	32.49	5.43%	38.53	8.36%	18.41	4.70%
Total Income from Operations	**522.49**	**99.18%**	**591.53**	**98.99%**	**456.99**	**99.12%**	**380.12**	**97.07%**
Other income	4.33	0.82%	6.05	1.01%	4.04	0.88%	11.48	2.93%
Total Income	**526.82**	**100.00%**	**597.58**	**100.00%**	**461.03**	**100.00%**	**391.60**	**100.00%**

MOUs / Other Agreements

GDL has entered into an MOU with Pipavav Rail Corporation Limited ("PRCL"), a joint venture between Pipavav port and Indian Railways which has presently laid out a track between Pipavav port and Surendra Nagar for north bound traffic. The MOU provides for PRCL to move containers from Pipavav and other ports to Garhi. PRCL is awaiting approval from the relevant authorities to run container trains.

COMPETITION AND MARKETING

There are around 8 major CFSs catering to JNP located in Navi Mumbai. These CFSs can be categorised as independent private players, private player associated with shipping lines and public sector players.The capital intensive nature and absence of private sector participation at the ports resulted in a conscious decision by the government to promote public sector CFSs. However, these enterprises have not been able to scale up their operations substantially. CFSs promoted by shipping lines have the distinct advantage of captive business. While they are free to do business for other shipping lines, some of the competing shipping lines view this as a conflict of interest thus impairing the available market to a limited extent. Independent CFSs like GDL are perceived as neutral players and hence can cater to a large number of shipping lines.

GDL's ICD at Garhi faces competition from the ICDs located at North India. A substantial flow of export-import traffic from ports is currently handled by the Tughlaqabad ICD at Delhi, Patparganj ICD at Delhi and the Ludhiana ICD at Punjab. The ICD at Garhi will also compete with the new ICD that is coming up at Dadri. Though all the above ICDs cater to the entire northern region, each of them has their own catchment areas.

There are around 14 CFSs catering to the demand in Chennai. Indev will also face competition from the Chennai port as the port has an inhouse CFS. The Vizag port has one CFS that is being operated by Concor.

The key competitors of the Company are CFSs/ ICDs set-up by private sector enterprises, shipping lines and public sector enterprises. Some of the key players in the industry are:

- Maersk Logistics Private Limited (CFS)
- Central Warehousing Corporation
- Container Corporation of India
- Balmer Lawrie & Co. Ltd. (CFS)
- Trans India Logistics Park

Customers: The most important **initiators** for this business are the shipping lines. GDL has tied up with most of the leading shipping lines that touch Indian ports and has continued to service them since its inception. There are around 12 major shipping lines and over 25 other players in these markets. GDL also provides value-added services to these lines including dedicated warehouses. Major shipping lines like APL, P&O, CMA, etc. are among GDL's top clients.

The most important **influencers** in this business are the CHAs since they in turn influence the decision of the consolidators, importers and shipping lines. This is inspite of the fact that their contribution to monetary value of this business is the least. There are around 100 major CHAs at Mumbai and over 1,000 smaller players.

The most important **catalysts** in this chain are the consolidators, which help complete the export cycle. GDL caters to most of the bigger consolidators in the marketplace and provides value added services like dedicated warehouses. There are over 25 major consolidators and innumerable smaller players in the marketplace. GDL caters and does business with the leading consolidators namely Fritz, Expeditors, Keuhne & Nagel etc.

The source and destination of all transactions is the international trading community which undertakes the buying and selling of goods routed in containerized form through the ports. Thus, the end source of all revenues earned by GDL emanates from these manufacturers/ exporters and importers who initiate business through shipping lines. However, since the business is routed through a logistics network starting with the CHAs/ consolidators to the shipping lines, the point of contact for GDL are these entities. They influence the decision of the end user to deal with GDL since they act on behalf of such end users.

The revenues derived by GDL are routed through these entities. However there is considerable overlap in the structure of payment making it difficult to differentiate revenues coming form either a shipping line or a consolidator or a CHA. Further, most consolidators are essentially the export facilitation arms of shipping lines and hence differentiation in revenue generated from such entities is viewed more on a consolidated form than individually. Even, in case of independent "consolidators", the trend is to typically align themselves with one or more shipping lines wherein they act as large agents for such lines, and hence, they become an extension of the shipping lines and therefore are an integral part of a chain emanating from the end users.

MANPOWER

GDL has employed **48**, **51, 67** and **76** employees as on March 31, 2002, March 31, 2003, March 31, 2004 and November 30, 2004 at Mumbai. The details of the Company's human resources is as stated below:

Employee Category	**Number of Employees as on November 30, 2004**		
	Navi Mumbai	**Garhi**	**Total**
Managerial – Operations	10	2	12
Managerial – staff	7	1	8
Support Staff	59	22	81
TOTAL	**76**	**25**	**101**

The CFS industry is highly labour intensive. GDL, as a policy, has decided to hire its entire labour force on contract with remuneration linked to the number of TEUs handled and not the time spent on the site. This strategy to outsource labour on contract basis has also helped GDL in acquiring better control over its operations with no incidence of work disruption due to labour unrest/problems.

Contract Labour	**Number of Employees as on November 30, 2004**		
	Navi Mumbai	**Garhi**	**Total**
Labour	400	8	408
Drivers, cleaners for trailers, reach stackers and forklifts	400	6	406
TOTAL	**800**	**14**	**814**

BRIEF HISTORY OF THE COMPANY

GDL was incorporated on April 06, 1994 and got the certificate of commencement of business on October 24, 1994. The Company was originally promoted by NTSC, CWT Distribution Limited ("CWT"), NUR Investment and Trading Pvt. Ltd ("NUR"). and Intercontinental Forest Products Pte. Ltd. ("IFP") as a joint venture company to conduct the business of warehousing, container freight stations and all related activities. On March 13, 1995, IFP resigned as a joint venture partner and was replaced by Parameswara Holdings Ltd. and on April 01, 1996. CWT and NUR also resigned as joint venture partners and they were replaced by Windmill International Pte Ltd. and Thakral Corporation Ltd.

The development of the CFS at Dronagiri was completed in three phases. Phases I & II, spread over an area of 24.71 acres, were completed at a total cost of Rs. 850 mn. The land was acquired from CIDCO. Phase I of the CFS achieved optimum capacity utilization during the year 2000. Phase II became operational in April 2001. Development of Phase III, spread over an additional area of 10.30 acres of land, acquired from CIDCO and situated adjacent to the existing plot has been completed during the second quarter of the financial year 2003-04. The capital expenditure of Phase III was funded through a placement of 10.20 mn shares with IDFC at a price of Rs. 25.49 per share aggregating to Rs. 260 mn.

In April 2004, GDL acquired an ICD at Garhi Harsaru as a going concern for a consideration of Rs. 177.50 mn. The ICD is well connected by road and GDL has received permission from the Northern Railways to set up a railway siding. . At present, the ICD has a total developed area of 9.88 acres (converted), which is being upgraded. GDL also acquired additional land of 17.83 acres adjoining the ICD alongside the broad gauge railway track on the Delhi-Jaipur main trunk line.

In August 2004, GDL executed a joint venture agreement to acquire 60% stake in Gateway East India Pvt. Ltd. (erstwhile Viking Exim Ventures Pvt. Ltd), through a fresh infusion of equity. GDL has invested Rs. 15 mn towards equity contribution. GEL has leased 20 acres of land from the Vishakapatnam Port Trust and will operate a CFS catering to the demand of containerisation at Vishakapatnam port. GEL has commenced work on Phase I of the project spread over 8 acres of land.

GDL had entered into a share purchase agreement on December 01, 2004, to acquire Indev Warehouse and Container Services Pvt. Ltd., a CFS at Chennai, for a total consideration of Rs. 270.00 mn.

On November 10, 2004, Aranda (a part of Temasek Holdings Limited, Singapore) acquired a 10% stake in the Company through an offer for sale of Equity Shares by the existing shareholders at a price of Rs. 32/- per share.

Major Events in the History of the Company

Calender Year	Event
1994	Certificate of Incorporation
1998	Completion of Phase I
1999	ISO certification
2000	Completion of Phase II
2000	Maiden dividend
2001	IDFC's investment
2003	Bonus Issue
2003	Completion of Phase III
2004	Acquisition of ICD at Garhi Harsaru
2004	Expansion into Vizag
2004	In principle Approval for rail siding at ICD Garhi
2004	Investment by Aranda
2004	Acquisition of CFS at Chennai
2005	Final Approval for rail siding at ICD Garhi

Main Objects of GDL

The main objects of GDL as appearing in the Memorandum of Association are:

To develop, equip, manage, acquire, establish or otherwise to acquire on case and bounded warehouses container freight station, container depot and transportation facilities, to provide bonded and general warehousing container repair, container storage, packing, unpacking and transport facilities for all kinds of goods, merchandise, commodities, link stock and all kinds of things and materials, machinery, equipment and vehicles.

To act as commission agent, consultant and liaison agent in respect of services referred to above and for the development and maintenance of these services.

To carry on the business of a clearing and forwarding agent, shipping agents and cargo agents, whether within or outside the territories of India, or to appoint clearing agents, shipping agents and cargo agents on a commission basis or on behalf of other parties.

The Company can undertake existing business and proposed business as per the Objects Clause of the Memorandum of Association of the Company.

Changes in the Memorandum of Association

Since incorporation, the following changes have been made to the Memorandum of Association of the Company:

Date of shareholders' approval	Type of change/ Reasons for change
November 24, 1994	Increase in authorised capital from Rs.5 mn to Rs.200 mn
September 25, 1996	Increase in authorised capital from Rs.200 mn to Rs.300 mn
September 30, 1999	Increase in authorised capital from Rs.300 mn to Rs.450 mn
June 07, 2001	Increase in authorised capital from Rs.450 mn to Rs.500 mn
September 28, 2002	Increase in authorised capital from Rs.500 mn to Rs.700 mn
March 18, 2004	Increase in authorised capital from Rs.700 mn to Rs.900 mn

Subscription to Equity Shares by IDFC

The Company had approached IDFC for financial participation in setting up Phase 3 of the Company's operations at the CFS in Mumbai and IDFC agreed to invest in the capital of the Company. On July 06, 2001, IDFC entered into a share subscription agreement with the Company to subscribe to 10,200,000 Equity Shares for a total consideration of Rs. 260,000,000, representing a purchase price of Rs. 25.49 per Equity Share. Pursuant to this, IDFC entered into a shareholders agreement dated July 06, 2001 with TCL, TIHML, PHL, WIPL, KSPLL, PIPL, Mr. P.K. Gupta, Mrs. Mamta Gupta and the Company setting out the rights and obligations of each of the parties to the shareholders agreement.

IDFC also entered into a buyback agreement dated July 06, 2001 with TCL, PHL, WIPL, PIPL, Mr. P.K. Gupta and the Company. Under the terms of the buy back agreement, the Company had agreed to buy back the shares of IDFC if the Company fails to achieve listing of its Equity Shares on at least two recognised stock exchanges (including at least one at the national level such as the BSE or the NSE or any other national exchange approved by IDFC) by March 31, 2003 or such extended period as may be agreed upon by IDFC (this date has been extended to December 31, 2004 in terms of the amended and restated shareholders agreement dated October 28, 2004 and subsequently to March 31, 2005 through an addendum dated December 31, 2004. If the Company fails to achieve listing by such date, IDFC shall have the option to sell its shareholding in GDL through a public offer for sale of Equity Shares or to call upon GDL to buy back the Equity Shares or to call upon TCL, PHL, WIPL, PIPL and Mr. P.K. Gupta to purchase the Equity Shares of IDFC.

TCL, TIHML, PHL, WIPL, KSPLL, PIPL, Mr. P.K. Gupta and Mrs. Mamta Gupta also executed an undertaking dated July 06, 2001 in favour of IDFC stating that they will not dispose of their shareholding in the Company till the closure of the IPO without prior written consent of IDFC, which consent will not be unreasonably withheld.

Purchase of Equity Shares by Aranda

On June 16, 2004, Aranda entered into a share subscription agreement with certain shareholders of the Company, including TCL, WIPL, PHL, PIPL, Mr. P.K. Gupta and IDFC to purchase 6,400,000 Equity Shares representing 10% of the paid up Equity Share capital of the Company for a total consideration of Rs. 204,800,000 at a price of Rs. 32 per Equity Share. For the purposes of sale and transfer of the Equity Shares held by the aforesaid Promoters to Aranda, IDFC had waived the operation of the non-disposal undertaking dated July 06, 2001 and any inconsistent provisions of the shareholders agreement dated July 06, 2001.

Amended and Restated Shareholders Agreement

Pursuant to the purchase of the Equity Shares by Aranda, the existing shareholders agreement dated July 06, 2001 was amended and restated by an Amended and Restated Shareholders Agreement dated October 28, 2004 ("Revised Shareholders Agreement"). The special rights conferred on the shareholders by the Revised Shareholders Agreement between TCL, TIHML, PHL, WIL, KSPLL, PIPL, Mr. P.K. Gupta, IDFC and Aranda are as follows:

(i) A quorum for general meetings of the shareholders of the Company shall be five (5) members including representatives of the Thakral group, the Windmill group, PHL or NTSC, being at least two in number and a representative of IDFC.

(ii) The Chairman is to be appointed by the Thakral group, PHL and the Windmill Group from among the Directors nominated by them so long as they together hold not less than twenty percent (20%) of the paid up capital of the Company.

(iii) The following matters cannot be undertaken by the Company unless a resolution is first passed with the affirmative votes of members holding between them at least seventy five percent (75%) of the paid up shares of the Company:

   a) alteration of the Memorandum and Articles including an alteration in respect of the capital structure of the Company;

   b) change in the business of the Company or the Company undertaking any business other than its current business;

   c) diversification, modernisation or substantial expansion in the Company's business;

   d) setting up of any subsidiary, or acquisition or disposal of any subsidiary;

   e) public issue of shares with a view to obtaining the listing of the Company on any stock exchange;

   f) any issue of the un-issued shares out of the authorized capital of the Company, creation or issue of new shares or the grant of options over such shares;

   g) increase, decrease, sub-division, consolidation, classification, re-classification, issue, allotment, redemption, purchase or options over or other changes in the capital of the Company;

   h) reduction or alteration of any of the rights attached to any of the issued shares;

   i) capitalization of profits and issue of bonus shares, the declaration of dividends, distribution of profits and assets;

   j) issue of debentures or other securities convertible into shares or of any share warrants or any option in respect of shares;

   k) changes in the number of Directors;

   l) participation in any scheme for reconstruction, merger or amalgamation;

   m) merger with, or takeover of any other business or the acquisition of other businesses (by way of share purchase, business transfer, slump sale or any other mode of acquiring a business), creation of joint ventures/partnerships (other than in the usual course of business), purchase of or subscription to any shares, debentures, mortgage of securities (or any interest therein) of any company, trust or other entity;

   n) resolutions to wind up the Company;

   o) creation of any fixed or floating charge, lien (other than a lien arising by operation of law), mortgage, pledge or other encumbrance over the whole or any part of the undertaking, property or assets of the Company except for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary and proper course of the Company's business;

   p) borrowing of money/assumption of indebtedness by the Company, whether secured or otherwise, of any amount (except raising of unsecured loans, overdrafts, cash credit or other facilities from banks or trade indebtedness in the ordinary course of business);

q) merger, sale, transfer, leasing, assigning or otherwise disposing of the whole or substantially the whole or a material part of the undertaking, property and/or assets of the Company or any contract to do so otherwise than in the ordinary course of the Company's business;

r) any proposal to make loans or provide guarantees, or otherwise extend or pledge credit to others and investments by way of deposits and subscription to debentures, except endorsements and extensions of credit in the ordinary course of operations of the Company (except normal trade guarantees or temporary loans and advances granted to staff or contractors or suppliers and temporary deposits placed with banks or others in the ordinary course of business);

s) the granting or variation of the emoluments of any Director;

t) appointment (except for the first financial year) or removal of the auditors of the Company, both internal and statutory; and

u) any advance of monies on behalf of, or guaranteeing or indemnifying of the indebtedness/liabilities of any person including any related corporation and the shareholders of the Company or any other person save for in the ordinary course of the business of the Company.

(iv) Following the IPO and the public listing of the shares of the Company each of the Thakral group, PHL, the Windmill group, NTSC, IDFC and Aranda shall have the right to appoint one director on the Board. The Director nominated by IDFC shall not be liable to retire by rotation.

(v) A quorum for a meeting of the Board shall be one half of its total strength including a representative of IDFC.

(vi) The following matters can be resolved upon by the Board only on a resolution with the assenting votes of at least three fourths of the Directors including IDFC:

a) creation of any fixed or floating charge, lien (other than a lien arising by operation of law), mortgage, pledge or other encumbrance over the whole, or any part of the undertaking, property or assets of the Company or for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary and proper course of the Company's business;

b) borrowing of money/assumption of indebtedness by the Company, whether secured or otherwise, of any amount (except raising of unsecured loans, overdrafts, cash credit or other facilities from banks or trade indebtedness in the ordinary course of business);

c) payment of any interim dividend or recommendation for the payment of a final dividend;

d) entering into any contract, arrangement or commitment involving expenditure on capital account, if the amount of such expenditure by the Company is not included in the approved annual budget and business plan of the Company;

e) would exceed Singapore Dollars five hundred thousand (S$ 500,000) or its equivalent in Indian Rupees in any one year or for any one project;

f) any investment, acquisition of properties and/or assets in any manner whatsoever including by way of outright purchase, lease or hire purchase other than in the ordinary course of business in excess of Singapore Dollars fifty thousand (S$ 50,000) or its equivalent in Indian Rupees;

g) giving of any guarantee or indemnity to secure the liabilities or obligations of any person including any related corporations of the Company and the shareholders;

h) taking or agreeing to take any leasehold interest in or license over any land;

i) entering into any partnership, joint venture or profit sharing agreement with any person;

j) setting up of any new undertaking by the Company other than the Company's current business;

k) determination of the limits of financial authority in respect of and in connection with the day-to-day operations of the Company;

l) approval of fees payable to any shareholder;

m) approval of the annual budget and business plan of the Company;

n) the appointment of any employee or consultant earning a total compensation package of more than Singapore Dollars one hundred thousand (S$ 100,000) or its equivalent in Indian Rupees per annum or any increase in the compensation package of any employee or consultant which would result in their total compensation package exceeding such an amount;

o) advance of monies to or guarantee of the indebtedness of any related corporation of the Company or any other person save for in the ordinary course of the business of the Company;

p) any proposal to acquire, by purchase, lease or otherwise of, any immovable property; and

q) any proposal to set up or acquire subsidiary companies.

(vii) If the Company does not list its Equity Shares on a recognized stock exchange by March 31, 2005, or within such extended time as may be mutually agreed, the Company shall buy back the Equity Shares from IDFC on being called upon to do so by IDFC in terms of the buyback agreement dated July 06, 2001 and the Promoters shall take all necessary steps to cause the Company to buy back the Equity Shares of IDFC. In the event that the Company is unable to buyback the Equity Shares, the Promoters shall purchase the Equity Shares as per the terms of the buyback agreement.

(viii) The shareholders agreement provides for customary "right of first refusal", requiring any party to the amended and restated shareholders agreement that proposes to transfer its Equity Shares to offer such shares, in the first instance, to the other parties. Further, until the IPO, in the event of any of the parties to the agreement seeking to sell their Equity Shares to a third party and Aranda not exercising its right of first refusal, Aranda has been accorded "tag along rights" allowing it to sell its Equity Shares pro-rata to such third party.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Company has set up a modern CFS at Dronagiri, about 9 kms from JNP, Navi Mumbai and has also acquired an ICD at Garhi. The Company has also entered into a JV to set up a CFS at Vishakaptnam. The company caters to the needs of the international trading community by providing port related logistics services that facilitate handling & transportation of container cargo from/ to the port (JNP in case of the Navi Mumbai facility).

The Company is more than just a provider of quality services. It is a business partner, working together with clients to provide effective solutions for the export/import container cargo logistics at the gateway ports. Today, the company offers its clients the complete spectrum of services ranging from the CFS / ICD, general and bonded warehousing, container yard and depot operations, container trucking to container repair & refurbishment.

Selected Financial Data

		APR-NOV 2004		2003-2004		2002-2003		2001-2002	
		Rs. mn	%	Rs. mn	%	Rs. mn	%	Rs. mn	%
A	**Income**								
	Ground Rent	150.37	28.54%	155.83	26.08%	147.52	32.00%	138.15	35.28%
	Container Storage, Handling and Repair	313.39	59.49%	358.17	59.94%	246.96	53.56%	207.15	52.90%
	Service Charges	29.23	5.55%	45.04	7.54%	23.98	5.20%	16.41	4.19%
	Auction Sales	29.50	5.60%	32.49	5.43%	38.53	8.36%	18.41	4.70%
	Income from Operations	**522.49**	**99.18%**	**591.53**	**98.99%**	**456.99**	**99.12%**	**380.12**	**97.07%**
	Other Income	4.33	0.82%	6.05	1.01%	4.04	0.88%	11.48	2.93%
	Total Income	**526.82**	**100.00%**	**597.58**	**100.00%**	**461.03**	**100.00%**	**391.60**	**100.00%**
B	**Expenses**								
	Staff Cost	19.80	3.76%	20.70	3.46%	17.84	3.87%	11.75	3.00%
	Operating Cost	192.50	36.54%	245.67	41.11%	174.93	37.94%	132.67	33.88%
	Repairs and Maintenance	5.77	1.09%	9.59	1.60%	8.36	1.81%	6.50	1.66%
	Custom Staff Expenses	5.29	1.00%	4.89	0.82%	3.15	0.68%	3.47	0.89%
	Other Administrative Expenses	36.09	6.85%	37.16	6.22%	31.23	6.77%	30.94	7.90%
	Interest/ Finance Charges	24.89	4.72%	17.00	2.84%	28.10	6.10%	54.84	14.00%
	Depreciation	41.29	7.84%	39.77	6.66%	32.53	7.06%	29.79	7.61%
	Miscellaneous Expenditure written off	0.00	0.00	0.00	0.00%	0.00	0.00%	1.39	0.35%
	Total Expenses	**325.63**	**61.81%**	**374.78**	**62.71%**	**296.14**	**64.23%**	**271.35**	**69.29%**
C	**Net Profit/ (Loss) before Provision for Tax and Exceptional Items**	**201.19**	**38.19%**	**222.80**	**37.29%**	**164.89**	**35.77%**	**120.25**	**30.71%**
	Less: Exceptional Items [Income/ (Expense)]	-		-		(13.00)		13.00	

		APR-NOV 2004		2003-2004		2002-2003		2001-2002	
		Rs. mn	%	Rs. mn	%	Rs. mn	%	Rs. mn	%
D	**Net Profit/ (Loss) before Provision for Tax**	**201.19**	**38.19%**	**222.80**	**37.28%**	**177.89**	**38.59%**	**107.25**	**27.39%**
	Provision for Tax								
	- Current Tax	15.90		17.20		13.10		9.23	
	- Wealth Tax	0.03		0.03		0.03		-	
	- Deferred Tax (Net)	19.29		14.27		14.90		-	
E	**Net Profit/ (Loss) after Tax**	**165.97**	**31.50%**	**191.30**	**32.01%**	**149.86**	**32.51%**	**98.02**	**25.03%**
	Less: Adjustments Deferred Tax (Net) as per Accounting Standard – 22 ' Accounting for Taxes on Income'	-		-		-		(22.78)	
	Managerial Remuneration paid in excess of Schedule XIII limits	-		-		-		-	
F	**Adjusted Net Profit/ (Loss) After Tax**	**165.97**	**31.50%**	**191.30**	**32.01%**	**149.86**	**32.51%**	**75.24**	**19.21%**

Income

The import based income is in the form of ground rent charged towards storage space provided for stacking containers in the open yard and handling and transportation charges levied towards handling of the containers at the facility and transportation of the same to/ from the port. Import based income is also earned from cargo stored in bonded warehouses. Similarly, export based income is in the form of warehouse storage, handling & transportation of cargo and other value added services like stuffing/ de-stuffing, palletisation, etc. Auction sales towards long standing cargo also offers an additional source of income. The following table sets forth the contribution of different components of income and of other income towards the total income during each of financial years 2002, 2003 and 2004:

Particulars	Apr-Nov 2004		2003-2004		2002-2003		2001-2002	
	Rs. mn	% age	Rs. mn	% age	Rs. mn	% age	Rs. Mn	% age
Income from Operations								
Ground rent	150.37	28.54%	155.83	26.08%	147.52	32.00%	138.15	35.28%
Container storage, handling and Repair	313.39	59.49%	358.17	59.94%	246.96	53.56%	207.15	52.90%
Service charges	29.23	5.55%	45.04	7.54%	23.98	5.20%	16.41	4.19%
Auction sales	29.50	5.60%	32.49	5.43%	38.53	8.36%	18.41	4.70%
Total Income from Operations	**522.49**	**99.18%**	**591.53**	**98.99%**	**456.99**	**99.12%**	**380.12**	**97.07%**
Other income	4.33	0.82%	6.05	1.01%	4.04	0.88%	11.48	2.93%
Total Income	**526.82**	**100.00%**	**597.58**	**100.00%**	**461.03**	**100.00%**	**391.60**	**100.00%**

The Company's total income has grown at a CAGR of 23.5% from Rs.391.60 mn in 2001-2002 to Rs. 597.58 mn in 2003-2004.

Ground Rent: Ground rent is charged for the number of days any container remains in the yard of the CFS. The Company operates through a comprehensive and transparent tariff card. The ground rent charges follow an escalating scale with the rentals increasing with increasing dwell time on a weekly basis. Ground rent is earned only in the case of import transactions.

Income from ground rent has grown at a CAGR of 6.2% from Rs 138.15 mn in 2001-02 to Rs 155.83 mn in 2003-04 while contribution of ground rent to the total income of the company is showing a declining trend falling from 35.28% in FY 2001-02 to 26.08% in FY 2003-04. Ground rent is inversely related to operating efficiency of the CFS as ground rent is charged on the dwell time of the containers at the facility and faster turnaround of the containers reduces ground rent at a higher proportion. Thus, although the overall efficiency of operations improves within the range, the percentage contribution of ground rent would be replaced with a higher percentage contribution of handling charges.

Container Storage, Handling and Repair: Container storage, handling and repair include:

- Leasing of warehouse space to consolidators
- Income earned from storage of bonded / less than container load cargo
- Income earned from handling of containers at the CFS
- Transportation of containers between the CFS and the port

Over the last three years, the share of income from container storage, handling and repair to total revenue has been rising basically on account of optimal handling of cargo at the facility, increased warehouse space thus facilitating cargo consolidation and reduction in dwell time due to improvements at JNP and streamlining of customs processes.

Auction Sale: Income from auction sales pertains to long-standing cargo that has not been cleared by customers. Import containers not cleared for a period of 45 days are classified as long-standing cargo. The auction process starts if a container is not cleared for 30 days. Three notices are sent at regular intervals before the cargo is taken up for auction. Auction sales helps GDL clear the long standing cargo and recover the cost incurred towards conducting and completing the auction and the ground rent and handling charges relating to the long-standing cargo.

Other Income: Other income primarily relates to rent and interest earned on cash deposited with banks. Other income for FY 2001-02 was higher on account of short-term surplus fund resulting from placement of equity shares with IDFC.

Expenditure

Particulars	Apr-Nov 2004		2003-04		2002-03		2001-02	
	Rs. mn	% age	Rs. mn	% age	Rs.mn	% age	Rs. mn	% age
Transportation Cost	97.26	18.61%	127.73	21.59%	81.55	17.85%	70.32	18.15%
Labour Charges	27.73	5.31%	36.54	6.18%	25.12	5.50%	21.64	5.69%
Interest	24.89	4.76%	17.00	2.87%	28.10	6.15%	54.84	14.43%
Depreciation	41.29	7.90%	39.77	6.72%	32.53	7.12%	29.79	7.84%
Other Costs	134.46	25.73%	153.74	25.99%	128.84	28.19%	94.76	24.93%
Total Expenses	**325.63**	**62.31%**	**374.78**	**63.36%**	**296.14**	**64.80%**	**271.35**	**71.39%**
Total Operating Income	522.49		591.53		456.99		380.12	
No of TEUs	108,074		130,345		92,192		80,107	
Transportation Cost per TEU	899.94		979.94		884.57		877.83	
Labour Charges per TEU	256.58		280.33		272.47		270.14	

Transport and labour cost: The CFS industry is highly labour intensive and also involves a lot of cargo movement within the CFS and to and from the port. Transportation accounted for 18.50%, 17.85% and 21.59% of the total operating income for the year 2001-02, 2002-03 and 2003-04 respectively and labour charges accounted for 5.69%, 5.50% and 6.18% of the total operating income for the years 2001-02, 2002-03 and 2003-04 respectively. Transportation accounted for 18.61% of the total operating income and labour charges accounted for 5.31% of the total operating income for the eight month period ended November 30, 2004.

GDL has outsourced this entire activity, linking the cost to operative factors. Both transportation and labour contractors are paid a flat rate on the basis of number of TEUs handled, irrespective of the number of vehicles, handling equipment and number of workers deployed. Over the last three years transportation cost has gone up from Rs. 877.83 per TEU in 2001-02 to Rs. 884.56/- in 2002-03 to Rs. 979.94 per TEU in 2003-04 at a CAGR of 5.7%. The transportation charges per TEU saw a jump of 10.8% over the last fiscal year on account of price revision demanded by the contractor.

During the last three quarters, GDL has exercised better control over costs. GDL has decided to become self reliant in terms of handling & transportation equipment. During the last three quarters, GDL has added 55 tractor trailers thus making a total of 71 tractor trailors and 5 reach stackers making a total of 7 reach stackers. As per the current structure, GDL is outsourcing only the operations and maintenance of H&T equipment. This strategy has helped GDL not only in maintaining the quality and efficiency of the equipment but has also brought about savings in the cost of transportation. GDL has also managed to maintain strict control over labour charges, which has increased at a CAGR of 1.9% from Rs. 270.14 per TEU to Rs. 280.33 per TEU.

Liquidity: GDL has funded its capital expenditure and working capital requirements with an optimal mix of internal accruals, long- term borrowings and equity funds, as may be deemed appropriate to the cost, risk and return profile of the investment.

Cash Flows: The table below summarizes cash flows for the financial years 2004, 2003 and 2002 and for the eight month period ended November 30, 2004:

(Rs. mn)

Cash Flow	Apr- Nov 2004	2003-2004	2002-2003	2001-2002
Net Cash Flow from (used in) operating activities	226.78	263.46	192.06	196.62
Net Cash Flow from (used in) investing activities	(433.03)	(101.21)	(99.96)	(170.50)
Net Cash Flow from (used in) financing activities	177.11	(167.66)	(46.45)	(13.20)
Net Increase/(Decrease) in Cash and Cash Equivalents	(29.14)	(5.41)	45.65	12.92

Net cash flow provided by operating activities has been positive. Cash flow from operating activities, before working capital changes and tax payment, is showing a consistently rising trend. It was Rs. 199.75 mn, Rs.225.77 mn and Rs. 283.36 mn for financial years 2002, 2003 and 2004 respectively.

Net cash flow from investment was negative mainly due to purchase of fixed assets. These fixed assets were purchased for expansion and upgradation of CFS, Mumbai. Expenditure incurred on fixed assets was Rs.178.01 mn, Rs.100.91 mn and Rs. 102.19 mn for the financial year 2002, 2003 and 2004 respectively.

Net cash flow from financing activities was negative at Rs. 13.20 mn, Rs.46.45 mn and 167.66 mn for the financial years 2002, 2003 and 2004 respectively. The cash out flow from financing activity for financial year 2004 was high on account of payment of 10% final dividend for financial year 2003 and 10% interim dividend for financial year 2004 amounting to Rs. 128 mn. In the financial year 2002, the company raised funds by issue of fresh equity of Rs. 278 mn and pre-paid high cost debt of Rs. 197.70 mn and paid dividend Rs. 34.80 mn.

Tax Policy: Based on an opinion obtained from Bansi S. Mehta, Chartered Accountants, the management of the Company has taken a view that the provisions of Section 80-IA (4)(i) of the Income Tax Act, 1961, of India ("the Income Tax Act") have been fulfilled and the Company is eligible for tax holiday under the Income Tax Act in respect of the Container Freight Station activities. Consequently, the Income Tax liability has been determined under "Minimum Alternate Tax" pursuant to Section 115 JB of the Income Tax Act.

Contingent Liability: DBS Bank Ltd., HDFC Bank Ltd. and Punjab National Bank has, on behalf of the company, issued a guarantee and continuity bond in favour of The President of India, through the Commissioner of Customs, for Rs. 159.5 mn, Rs. 215 mn and

Rs. 3.5 mn respectively towards permission from the Collector of Customs, for transporting containers between the port and the Company's CFS and ICD.

Comparison of financial results of year ended March 31, 2003 with the year ended March 31, 2002

Income

The income from operations increased by 20% from Rs. 380.12 mn. to Rs. 456.99 mn. There was an increase in 2002-2003 in income from ground rent by Rs.9.37 mn (7%), container storage, repair and handling by Rs. 39.81 mn. (19%), service charges by Rs. 7.57 mn. (46%) and in auction sales by Rs. 20.12 mn. (109%) over the previous year 2001-2002.

Other Income

The reduction in other income by Rs. 7.44 mn. was mainly due to lower interest income on amounts placed as fixed deposit with banks during 2002-2003, as compared to 2001-2002.

Total Expenditure

The total expenditure increased by 9% to Rs. 296.14 mn. during 2002-2003 from Rs. 271.35 mn. in 2001-2002. Staff costs were Rs. 17.84 mn. (4% of total income), operating costs were Rs. 174.93 mn. (38% of total income) and other costs were Rs.42.74 mn (9% of total income). The increases over the previous year were staff costs (52%), operating costs (32%) & other costs (1%) respectively.

EBIDTA

The EBIDTA increased by 10% to Rs. 225.52 mn. in 2002-2003 from Rs. 204.88 mn. in 2001-2002. The EBIDTA margin in 2002-2003 was 49% and in 2001-2002 was 54%.

The operating expenses of the Company are primarily dependent on the cost of labour and cost of H&T equipment. The Company outsources both these activities to third party service providers. In the last fiscal year, the Company had to consent for an upward price revision to its transport contractor to the tune of over 10% given the general trend in the marketplace including increasing fuel charges etc. Since, H& T contribute to almost 50% of the entire activity at the facility, this increase directly reflects in the reduction of EBDITA by approximately 5%. However, the Company has thereafter decided to become self reliant in terms of owning its own H&T equipment which will safeguard the Company against such market fluctuations while ensuring total control over the equipment and their maintenance and economical operations.

Interest

Interest cost decreased by 49% to Rs. 28.10 mn. in 2002-2003 from Rs. 54.84 mn. in 2001-2002. Interest, as a percent of total income was 6% in 2002-2003 depicting a decrease of 8% from 2001-2002.

Depreciation

Depreciation increased by 9% from Rs. 29.79 mn. in 2001-2002 to Rs. 32.53 mn. in 2002-2003. Depreciation, as a percent of total income was 7% in 2002-2003,depicting a decrease of 8% from 2001-2002.

Income Tax

Provision for Income Tax increased by 42% to Rs. 13.10 mn. in 2002-2003 as against Rs. 9.23 mn. in 2001-2002. Income Tax as a percent of total income was 3% in 2002-2003 and 2% in 2001-2002. Based on an opinion obtained from an expert consultant, the management of the Company has taken a view that provisions of Section 80-IA (4) (i) of the Income Tax Act, have been fulfilled and the Company is eligible for tax holiday under the Income Tax Act in respect of its CFS activities.

Deferred Tax

AS 22 – Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India became applicable to the Company during the year 2002-2003.

The deferred tax is recognised, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised unless there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Accordingly, deferred tax liability of Rs. 14.90 mn has been recognised for the year. The deferred tax liability of Rs. 56.59 mn and deferred tax assets of Rs. 0.79 mn. shown in the Balance Sheet includes the provision for deferred tax assets / liabilities as at March 31, 2003 (including the deferred tax assets / liabilities till the periods ended March 31, 2001).

Exceptional Items

Provision for Contingencies of Rs. 13 mn. created in the financial year 2001-2002 has been considered as no longer required and written back in the Profit and Loss Account during 2002-2003.

Net profit after Taxes

As a result of the above, the net profit after tax increased by 99% from Rs. 75.24 mn. in 2001-2002 to Rs.149.86 mn in 2002-2003. As percent of total income, the net profits after taxes were 33% in 2002-2003 and 19% in 2001-2002.

Comparison of financial results of the year ended March 31, 2004 with the year ended March 31, 2003

Income

The income from operations increased by 29% from Rs. 456.99 mn. to Rs. 591.53 mn. There was an increase in 2003-2004 in income from ground rent by Rs. 8.31 mn. (6%), container storage, repair and handling by Rs. 111.21 mn. (45%), service charges by Rs. 21.06 mn (88%). There was a decrease in auction sales by Rs. 6.04 mn. (16%) over the previous year 2002-2003.

Other Income

The increase in other income by Rs. 2.01 mn. was mainly due to write back of provision on account of auction surplus no longer required and increase in income from rent of office space during 2003-2004, as compared to 2002-2003.

Total Expenditure

The total expenditure increased by 27% to Rs. 374.78 mn. during 2003-2004 from Rs. 296.14 mn. in 2002-2003. Staff costs were Rs. 20.70 mn. (4% of total income), operating costs were Rs. 245.67 mn. (41% of total income) and other costs were Rs. 51.64 mn. (9% of total income). The increases over the previous year were staff costs (16%), operating costs (40%) & other costs (21%) respectively.

EBIDTA

The EBIDTA increased by 24% to Rs. 279.57 mn. in 2003-2004 from Rs. 225.52 mn. in 2002-2003. The EBIDTA margin in 2003-2004 was 47% and in 2002-2003 was 49%.

Interest

Interest cost decreased by 40% to Rs.17.00 mn in 2003-2004 from Rs.28.10 mn in 2002-2003. Interest, as a percentage of total income, was 3% in 2003-2004 depicting a decrease of 3% from 2002-2003.

Depreciation

Depreciation increased by 22% from Rs. 32.53 mn. in 2002-2003 to Rs. 39.77 mn. in 2003-2004. Depreciation, as a percentage of total income, was 6.66% in 2003-2004 and 7% from 2002-2003.

Income Tax

Provision for Income tax increased by 31% to Rs. 17.20 mn. in 2003-2004 as against Rs. 13.10 mn. in 2002-2003. Income tax, as a percent of total income, was 3% in 2003-2004 and 3% in 2002-2003. Based on an opinion obtained from Sohrab E Dastur, senior advocate and M/s Bansi S Mehta & Co., Chartered Accountants, the management of the Company has taken a view that provisions of Section 80-IA (4) (i) of the Income Tax Act have been fulfilled and the Company is eligible for tax holiday under the Income Tax Act in respect of its CFS activities. Consequently, the Income Tax liability has been determined under minimum alternate tax pursuant to Section 115JB of the Income Tax Act.

Deferred Tax

Provision for deferred tax decreased by 4% to Rs. 14.27 mn. in 2003-2004 as against Rs. 14.90 mn. in 2002-2003. As a percentage of total income, deferred tax was 2% in 2003-2004 and 3% in 2002-2003.

Net profit after Taxes

As a result of the above, the net profit after tax increased by 27.65% from Rs. 149.86 mn. in 2002-2003 to Rs. 191.30 mn. in 2003-2004. As a percentage of total income, the net profit after taxes were 32% in 2003-2004 and 32% in 2002-2003.

Information required as per clause 6.8 of SEBI Guidelines

1. Unusual or infrequent events or transactions

Nil .

2. Significant economic / regulatory changes

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

3. Known trends or uncertainties

Other than as described in this Prospectus, to the best of the knowledge of the Company, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenue or income of the Company from continuing operations.

4. Future relationship between costs and income

Other than as described in this Prospectus, to the best of the knowledge of the Company, there are no known factors that will affect the future relationship between costs and income, or which will have a material impact on the operations and finance of the Company.

5. New products or business segments

Apart from providing logistics support for CFS / ICD related activities, the Company does not have any presence in other areas of business.

6. Seasonality of business

The Company's services do not have any seasonal impact.

7. Dependence on single or few suppliers or customers

GDL caters to a highly consolidated industry. Over 70% of global container movement is controlled by 10 shipping lines/ consortiums. GDL started operations with APL as its main customer and has now grown to providing services to most of the leading lines touching JNP except the ones with their own dedicated facilities. While the quantum of business from all its customers has consistently gone up, the percentage contribution of any single line has been retained at optimal levels to ensure a broad-based clientele.

GDL has also consistently added capacity to map the growth at JNP and hence it has the ability to cater to multiple lines without having to compromise on business from its main customers.

Shipping Line	2001-02	2002-03	2003-04
APL	29.40%	22.80%	16.00%
CMA	17.30%	10.00%	9.10%
P&O	8.50%	13.60%	8.10%
Mitsui	-	6.40%	6.50%
WanHai	-	-	3.90%
Others	44.80%	47.20%	56.40%

GDL has continuously endeavoured to reduce its dependence to a couple of customers by adding new and well-established shipping lines. The above table is reflective of the fact that while the top 3 customers of GDL accounted for 55.2% of the total business in 2001-02, they accounted for only 33.2% of the total business in 2003-04. In 2003, GDL added Mitsui and in 2003-04 GDL added WanHai, who are both leading players in container transport industry to its clientele.

Significant developments after November 30, 2004 that may have an impact on the Company's future results or operations

The Company has acquired 100% stake in Indev Warehouse and Container Services Pvt. Ltd., a CFS based in Chennai.

The Company has effected an upward revision in its tariff rates w.e.f. February 1, 2005.

Details of Loans outstanding as on the November 30, 2004

Sr. No	Name of the Lending Institution	Security	Amount Sanctioned Rs. mn	Amount O/s as on 30/11/04	Other Terms
1	HDFC Bank Limited	Hypothecation of Commercial vehicles (2 Reach Stackers)	36.08	17.24	Carrying Interest @4.04% p.a. repayable in monthly instalments by 01/07/05
	HDFC Bank Limited	Hypothecation of Commercial vehicles (25 Trailers)	24.17	20.91	Carrying Interest @6.88% p.a. repayable in monthly instalments by 20/04/07
	HDFC Bank Limited	Hypothecation of Commercial vehicles (9 Trailers)	8.56	1.58	Carrying Interest @8.34% p.a. repayable in monthly instalments by 05/02/05
	HDFC Bank Limited	Hypothecation of Commercial vehicles (6 Trailers)	5.71	2.09	Carrying Interest @7.96% p.a. repayable in monthly instalments by 01/05/05
	HDFC Bank Limited	Hypothecation of Commercial vehicles (15 Trailers)	14.50	12.54	Carrying Interest @7.96% p.a. repayable in monthly instalments by 15/04/07
	HDFC Bank Limited	Hypothecation of Commercial vehicles (16 Trailers)	3.60	3.50	Carrying Interest @6.88% p.a. repayable in monthly instalments by 20/08/07
	HDFC Bank Limited	Hypothecation of Commercial vehicles (40 Trailers)	6.00	5.84	Carrying Interest @6.88% p.a. repayable in monthly instalments by 20/08/07
	HDFC Bank Limited	Hypothecation of Commercial vehicles (16 Trailers)	15.46	15.04	Carrying Interest @6.78% p.a. repayable in monthly instalments by 01/08/07
2	ICICI Bank Ltd.	Hypothecation of Commercial vehicles (2 Reach Stackers)	26.20	22.78	Carrying Interest @2.59% p.a. repayable in monthly instalments by 01/06/07
	ICICI Bank Ltd.	Hypothecation of Commercial vehicles (Duty towards import of 2 nos. reach stackers) (2 Reach Stackers)	7.59	6.60	Carrying Interest @7.69% p.a. repayable in monthly instalments by 01/06/07

GATEWAY
DISTRIPARKS LTD.

Sr. No	Name of the Lending Institution	Security	Amount Sanctioned Rs. mn	Amount O/s as on 30/11/04	Other Terms
	ICICI Bank Ltd.	Hypothecation of Commercial vehicles (3 Reach Stackers)	51.30	41.98	Carrying Interest @3.63% p.a. repayable in monthly instalments by 01/04/07
3	HDFC Bank Limited (Loan for acquiring ICD at Garhi Harsaru). Total loan of Rs 240 Million is shared by DBS, HDFC Bank, SBM & OBC.	Pari-passu Charge on all present and future movable fixed assets, movable plant, machinery, equipments, chattels, other movable fixed assets of the Company including machinery spares, tools and accessories, stores and spares installations furniture, fixtures, office equipments of the Company.	40.00	33.33	Carrying Interest @8.5% p.a. repayable in quarterly instalments by 27/04/07
	HDFC Bank Limited	— do—	10.00	8.34	Carrying Interest @ 8.5% p.a. repayable in quarterly instalments by 02/04/07
3-A	Oriental Bank of Commerce	— do—	50.00	41.66	Carrying Interest @8.5% p.a. repayable in quarterly instalments by 01/04/07
3-B	DBS Bank Ltd.	— do—	60.00	50.00	Carrying Interest @8.5% p.a. repayable in quarterly instalmentsby 01/04/07
	DBS Bank Ltd.	— do—	30.00	25.00	Carrying Interest @8.5% p.a. repayable in quarterly instalments by 31/03/07
3-C	State Bank Of Mauritius	— do—	50.00	41.66	Carrying Interest @8.5% p.a. repayable in quarterly instalments by 01/04/07
4	Infrastructure Development Finance Company Limited	Pari-passu Charge on movable properties (both present and future), whether installed or not, and on book debts, receivables commission and revenue of whatsoever nature and wherever arising both present and future and equitable mortgage by deposit of title of all piece of land with buildings, sheds and structures standing thereon.	170.00	85.00	Carrying Interest @11.5% p.a. repayable in quarterly instalments by 14/10/07

Sr. No	Name of the Lending Institution	Security	Amount Sanctioned Rs. mn	Amount O/s as on 30/11/04	Other Terms
5	ICICI Bank Ltd.	Unsecured Loan	30.00	30.00	Availed on 8 Oct 2004. Interest @ 7.3% p.a. re-payable on 07/04/2004
6	HDFC Bank Limited Overdraft (Amount o/s. as confirmed by the bank)	Pari-passu Charge on all the book debts, outstandings, monies receivable, claims and bills which are now due and owing to the Company or which may at any time hereafter become due and owing by any person.	40.00	0	Overdraft @ 8.5% p.a. repayable on demand.
			679.17	**465.09**	

The following are the principal covenants of the loan agreements entered into by GDL:

IDFC Loan Agreement dated December 24, 1999

Pursuant to a loan agreement dated December 24, 1999, the Company has been provided a loan facility of Rs. 200 Million from IDFC. The interest rate for such loan is 2.5% per annum over the prevailing Bank of India Premium Term Lending Rate and the loan is repayable in 24 equal quarterly instalments commencing from January 15, 2002.

Under the terms of the loan agreement with IDFC, the promoters have provided an undertaking that they shall collectively maintain at least 51% of the total shareholding in GDL.

The negative covenants under the loan agreement *inter alia* restrict the Company from undertaking any of the following activities without the permission of IDFC:

- Enter into any transaction of merger or consolidation;
- Declare or pay any dividend to its shareholders during any financial year unless it has paid all dues to the lender up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor;
- Make restricted payment unless permitted under applicable law and no default or event of default exists;
- Sell or dispose of assets charged or create any lien except in the ordinary course of business;
- Engage in any business other than the project in India (as contemplated under the loan agreement) nor create any subsidiaries;
- Issue any debenture, raise loans, accept deposits from public, issue equity or preference capital, except as in the financing documents;
- Change its capital structure or create any charge on its assets or give any guarantees, except in case of normal trade guarantees;
- Pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, etc. in connection with any financial assistance for the purpose of the project;
- Pass any resolution or take any steps for voluntary winding up or liquidation or dissolution; or
- Convey, lease, sell or otherwise dispose of (or agree to do so at any future time) all or any part of its property or assets, except in the ordinary course of business or as required or permitted by the financing documents and sale of equipment that is uneconomic or obsolete;

In addition, the following among others constitute events of default under the loan agreement:

- Default in repayment of any instalment of loan or interest;
- Default in performance of any covenant or any other provision of the agreement;
- Inability to pay debts;
- If other financial institutions or banks have refused to disburse loans or any part thereof or recalled loans under any loan agreement with the borrower;
- Attachment or distraint of the mentioned assets;
- Borrower ceases to carry on business;

In the event of default of two consecutive interest payments or payment of principal instalment or any combination thereof, the lender also has rights of conversion of the whole or part of the amount outstanding, into fully paid up equity shares of the borrower.

DBS consortium Loan Agreement dated March 29, 2004

Pursuant to a loan agreement dated March 29, 2004 the Company has been provided a loan facility of Rs. 280 Million from a consortium of lenders led by DBS. The interest rate for such loan is 8.5 % per annum plus and in respect of bank guarantee facilities under this loan, a rate of 0.75% per annum. The loan is repayable in 12 equal quarterly instalments commencing from July 01, 2004.

In compliance with the conditions of this facility, the promoters have provided an undertaking that they shall collectively maintain at least 50% of the total shareholding in GDL prior to the Initial Public Offer (IPO) and 30 % of the total shareholding post-IPO. Further, the promoters have also undertaken to retain majority controlling interest and effective management control in the company.

The negative covenants under the loan agreement *inter alia* restrict the Company from undertaking any of the following activities without the permission of the consortium members:

- Make or permit any material change in the nature of the business, composition of directors or management set-up or ownership;
- Create, incur or assume any further indebtedness of any nature, except for its working capital requirements in the ordinary course of its business;
- Assume, guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person, firm, company or corporation except for transactions in the ordinary course of its business;
- Amend its memorandum and articles of association or alter its capital structure or its shareholding pattern;
- Create any mortgage, charge, lien or other encumbrances in any form whatsoever over any of its properties and assets constituting security; or
- Sell, alienate, lease or otherwise dispose of all or substantially all of its property or assets, or consolidate or merge with any other corporation or agree to do any of the foregoing.

The Company is, however, permitted to declare dividends, subject to compliance with the loan agreement.

The following, among others, constitute an event of default under this loan agreement:

- Default in repayment of any instalment of loan or interest of this agreement or any other between the parties and any default on payment of the same on the due dates;
- Default in performance of any covenant or any other provision of the agreement or any other agreement between the parties;
- The Company ceasing or threatening to cease to carry on business;
- Any change in the control or management share capital not approved by the lenders;
- The Company entering into a scheme of compromise, reconstruction, or amalgamation;

- Any security given in favour of the lenders becoming unenforceable or infructuous;
- If the business of the borrower becomes unprofitable;
- If there is a material adverse change in the business, operation, financial condition of the borrower;
- Borrower admits failure to pay debts or declares a moratorium on payment of its debts; or
- If any petition presented for winding up against the company

Upon an event of default, the lenders under this facility are also entitled to appoint a nominee director on the Board of Directors of the Company.

ICICI Loan Agreement dated October 6, 2004

Pursuant to a loan agreement dated October 6, 2004 the Company has been provided a loan facility of Rs. 30 Million from ICICI Bank Limited. The interest rate for such loan is 7.3 % per annum and the loan is repayable in one bullet instalment six months from the date of disbursement.

Under the loan agreement with ICICI Bank Limited, the Company may not carry out any of the following activities without the consent of ICICI Bank Limited:

- Undertake or permit any merger, consolidation, reorganisation, and scheme of arrangement or compromise with its creditors or shareholders or effect a scheme of amalgamation.
- Assign or transfer of all or any of its rights, benefits or obligations under the agreement.

The following, among others, constitute an event of default under this facility:

- Default in repayment of any instalment of loan or interest of this agreement or any other between the parties and any default on payment of the any other monies due to the lender;
- Reasonable apprehension in the opinion of the lender that the borrower is unable to pay its debts;
- Assets constituting security are sold, disposed of, charged, encumbered alienated etc without the prior consent of the lender or any event has happened that will lead to the depreciation of the security given;
- Action for liquidation has been taken or suffered to be taken or a liquidator or receiver has been appointed;
- The Company undertakes or permit any merger, consolidation, reorganisation, and scheme of arrangement or compromise with its creditors or shareholders or effects a scheme of amalgamation;
- The Company ceases or threatens to cease to carry on business;
- Any event which will prejudicially affect the ability of the company to repay its debt;
- Extraordinary circumstances occur which in the opinion of the lender make the fulfilment of the Company's obligations impossible;

The lender shall be entitled to appoint a nominee on the Board of Directors of the company.

IDFC Loan Agreement dated November 30, 2004

Pursuant to a loan agreement dated November 30, 2004, the Company has been provided a loan facility of Rs. 370 Million from IDFC. The interest rate for such loan is 7.75 % per annum and the loan is repayable in one bullet instalment six months from the date of first disbursement.

The negative covenants under the loan agreement *inter alia* restrict the Company from undertaking any of the following activities without the permission of IDFC:

- Pass any resolution or otherwise take any steps for voluntary winding up or liquidation or dissolution;
- Enter into any transaction of merger, consolidation, reorganisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
- Convey, sell, lease or otherwise dispose of or mortgage or otherwise charge all or any part of the assets, except in the ordinary course of business or as required or as permitted under the terms of the loan agreement;

- Engage in any business other than its existing business or create any subsidiaries;
- Undertake any new project or augment, modernise, expand or otherwise change the scope of its projects and undertakings.
- Issue any debentures, raise any loans, accept deposits from public, issue equity or preference capital or change its capital structure or create any security interest or give any guarantees except in the ordinary course of business
- Pay commission to promoters, directors, managers or other persons for furnishing guarantees, counter guarantees, etc.;
- Pay any commission in a year to any person exercising substantial powers of management unless the lender has been paid all its dues for that year;
- Cancel or terminate any key contract or alienate any interest or waive any right under such contract.

As this facility was provided to the Company for its acquisition of Indev, the loan agreement also restricts Indev from engaging in the following activities:

- Dispose off, charge or otherwise encumber any of its assets;
- Procure any loans, issue any securities or guarantees;
- Provide any loans and guarantees; or
- Restructure its capital or merge or amalgamate or otherwise alter its constitution.

The following among others, constitute an event of default under the loan agreement:

- Default in repayment of any instalment of loan or interest;
- Default in performance of any covenant or any other provision of the agreement;
- Inability to pay debts;
- Sale of property except in the ordinary course of business, without the permission of the lender;
- Attachment or distraint of the mentioned assets or execution proceedings or any proceedings for the recovery of dues, which is not discharged within 30 days;
- The Company and / or Indev voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law.
- The Company ceases to carry on business;
- Extraordinary circumstances.

Repayment of this loan is to be made from the proceeds of an IPO of the Company. In the event that the IPO does not occur by the repayment date or the Company is unable to arrange for private equity for repayment of the loan by the end of 6 months from the date of first disbursement, the lender has the right to convert this loan into a long term debt assistance on the terms and conditions stipulated by the lender.

Further, if in the opinion of the lender the business of the Company is conducted in a manner opposed to public policy or in a manner prejudicial to the lender's interest, the lender shall have the right to review the management set-up or organisation of the Company and to require the Company to restructure it as may be considered necessary by the lender.

The lender also has the option of appointing one or more nominee director/whole-time director(s) on the Board of the Company upon the occurrence of an event of default.

SUBSIDIARIES OF THE COMPANY

1. GATEWAY EAST INDIA PRIVATE LIMITED

GEIPL was incorporated on May 11, 1994 as a private limited company under the Companies Act with the name Viking Exim Ventures Pvt. Ltd. The registered office of the company is situated at Ground Floor, Plot No. 41, Pandurangapuram, Vishakapatnam - 530003, Andhra Pradesh. The name of the company was changed to Gateway East India Private Limited on June 15, 2004.

The promoters of Viking Exim Ventures Pvt. Ltd. and GDL entered into a Memorandum of Understanding on October 17, 2003 and followed it with a joint venture agreement on August 17, 2004. Pursuant to the joint venture agreement, GDL acquired a 60% stake in GEIPL on November 23, 2004 GDL has contributed Rs. 15 million towards equity contribution and the Suri group has contributed Rs. 10 million towards equity capital. ICICI has disbursed a term loan of Rs. 60 million to GEIPL in February 2005. GEIPL expects to commence commercial operations in April 2005.

GEIPL has acquired a 20 acre land on lease from the Vishakapatnam Port Trust and has commenced work on phase 1 of the project to construct a CFS. Phase 1 of the project will be spread over 8 acres of land and commercial operations are expected to commence in April 2005. As per the terms of the joint venture agreement, GDL will be responsible for setting-up and operating the CFS at Vishakapatnam and shall receive a management fee of 2% of the gross revenue, in addition to its share of profits.

Shareholding pattern as on December 31, 2004.

Name of the Member	% of Holding
Gateway Distriparks Ltd.	60.00%
Sri Alluri Sitarama Raju	13.60%
Mr. T. V. Vijay Kumar	12.00%
Kakumanu Services Private Limited	8.00%
Sri Chintalapati Venkata Satya Suri	4.22%
Others	2.18%
TOTAL	**100.00%**

Board of Directors as on December 31 2004

Name	Designation
Mr. Prem Kishan Gupta	Director
Mr. Shabbir Hassanbhai	Director
Mr. Karan Singh Thakral	Director
Mr. CVS Suri	Director

Financials

GEIPL was a dormant company till 2003-04 and is expected to commence commercial operations in April 2005. The financials of GEIPL for the last three years and for the 8 month period ended November 2004 are as set out below:

(Rs mn)

Particulars	Mar-Nov 04	2003-04	2002-03	2001-02
Total Income	Nil	0.01	Nil	Nil
PAT	0.00	(0.40)*	(0.01)	(0.01)
Equity Capital	12.50	0.98**	0.74**	0.74**
Reserves	6.54	(0.96)	(0.57)	(0.56)
Net worth (excluding Revaluation Reserves)	19.04	0.02*	0.17	0.18
Earning Per Share (EPS)	N/A	N/A	N/A	N/A
Net Asset Value per Share	15.23	1.13**	23.04**	23.67**

* The losses in the year 2003-04 are on account of write-off of stock in trade and bad debts outstanding for a period more than 3 years.

** The face value of the share is Rs 100/-

2. INDEV WAREHOUSE AND CONTAINER SERVICES PRIVATE LIMITED

IWCSPL was incorporated on August 08, 1994 as a private limited company under the Companies Act. IWCSPL is engaged in the business of running a CFS which has a handling capacity of 40,000 TEUs per annum. On December 1, 2004 GDL acquired IWCSPL for a total consideration of Rs. 270 mn.

On December 13, 2004, GDL applied to the RoC, Karnataka for a change in name from IWCSPL to Gateway Distriparks (South) India Ltd. The RoC have confirmed availability of this name on January 25, 2005 vide their letter number CN/50641/2004-2005. The registered office address of IWCSPL is C/O Bhandari Pincha & Surana, 323, Prabhat Complex, 1st Floor, K.G. Road, Bangalore-560009.

Shareholding pattern as on December 01, 2004.

The entire shareholding is held by Gateway Distriparks Limited.

Board of Directors as on December 01, 2004

Name	Designation
Prem Kishan Gupta	Director
Gopinath Pillai	Director
K J M Shetty	Director

Financial Performance

(Rs mn)

Particulars	Oct 31, 2004	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	43.37	41.80	53.10	66.49
Profit after Tax	9.36	(14.32)	(10.58)	(1.24)
Equity Share Capital	9.90	9.90	9.90	9.90
Reserves (excluding revaluation reserves)	(23.95)	(33.30)	(18.99)	(8.45)
Net Worth	(14.05)	(23.41)	(9.09)	1.49
Earning Per Share (EPS) (Rs)	9.45*	(14.46)	(10.69)	(1.25)

* unannualised

MANAGEMENT

Board of Directors

The Company is currently managed by a Board of Directors comprising of 9 directors. Mr. Gopinath Pillai is currently the Chairman and Mr. Prem Kishan Gupta is the Deputy Chairman and Managing Director. The Board is well balanced in terms of representation from the industry by experts, former key employees and representatives of the Promoters who contribute towards giving the Company overall direction and vision.

The Board currently comprises 5 Directors representing the Promoter groups, 1 nominee Director from IDFC and 3 independent Directors. Aranda has the right to nominate one Director on the Board.

The present Board of Directors comprises the following members:

Sr. No	Name, Designation, father's Name, Address, Occupation and term	Age	Other Directorships
1.	**Mr. Gopinath Pillai** Non-Executive Chairman S/o (Late) Mr. Sukumaran Pillai 67, Hua Guan Avenue Singapore. Businessman	67	**Director of** **Companies incorporated in Singapore** Windmill International Pte Ltd. Savant Infocomm Pte Ltd. KSP Investments Pte Ltd. Infotech Solutions Pte Ltd. Little India Arcade Pte Ltd. Edutech Investments (India) Pte Ltd. Eastcom Systems Pte Ltd. Manquist Holdings Pte Ltd. Tourmasters Pte Ltd. Tourmasters (GSA) Pte Ltd. HEB Community Services Ltd. AMS Ventures Pte Ltd. Infocomm Technologies & Education Pte Ltd. Educational Resources Pte Ltd. Playware Studios Asia Pte Ltd. NTUC Choice Homes Co-operative Ltd. Bhaskar's Arts Academy Ltd. Ang Mo kio Hospital Ltd. Windmill Forest Products Pte Ltd. AEC Edu Group Pte Ltd. **Companies incorporated in India** Advanced Training Institute for Information Technology Pvt. Ltd. Prasha Technologies Ltd. Windmill Prasha Ltd. Savant India Institute of Technology Pvt. Ltd. Indev Warehouse and Conatiner Services Pvt. Ltd. **Companies incorporated in Mauritius** KSP Holdings Ltd. Edutech Holdings (India) Ltd. KSP Logistics Ltd. **Companies incorporated in United Kingdom** AEC Education Plc

Sr. No	Name, Designation, father's Name, Address, Occupation and term	Age	Other Directorships
2	**Mr. Prem Kishan Gupta** Deputy Chairman & Managing Director S/o (Late) Mr. M. L. Gupta R-215, Greater Kailash-1, New Delhi 110 048 Businessman	46	**Director of** Prism International Pvt. Ltd. Perfect Communications Pvt. Ltd. Fortune Technology Investments India Pvt. Ltd. Mayfair Enterprises Pvt. Ltd. Star Cineplex Pvt. Ltd. Edgemond India Pvt. Ltd. Gateway East India Pvt. Ltd. Indev Warehouse and Conatiner Services Pvt. Ltd. Windmill Forest Products Pte. Ltd. **Partner** Newsprint Trading & Sales Corporation
3	**Mr. Karan Singh Thakral** Non-Executive Director S/o Mr. Kartar Singh Thakral 20, Upper Circular Road, The Riverwalk # 03-06, Singapore 058416 Businessman	49	**Director of** **Companies incorporated in India** Givo Ltd. DCM Estates & Infrastructure Ltd. Gurgaon Technology Park Ltd. Bhagwan Developments Pvt. Ltd. Carew Developments Pvt. Ltd. Gateway East India Pvt. Ltd. Glade Trading Company Pvt. Ltd. Primeast Investments Ltd. Trust Leasing & Finance Pvt. Ltd. Thakral Investments (India) Pvt. Ltd. Jagbir Developments Pvt. Ltd. Khazina Developments Pvt. Ltd. Minnow Trading Company Pvt. Ltd. Normandy Developments Pvt. Ltd. Normandy Investments Pvt. Ltd. Westminister Developments Pvt. Ltd. Parjat Developments Pvt. Ltd. Raaya Developments Pvt. Ltd. Raffles Solutions Pvt. Ltd. Zarina Developments Pvt. Ltd. Sovereign Investments Pvt. Ltd. Thakral Computers Pvt. Ltd. **Companies incorporated in Singapore** Thakral Overseas Pte Ltd. Thakral Technology Pte Ltd. Currency Market Watch Pte Ltd. Dartmoor Pte Ltd. Eastman Colour Pte Ltd. Express Leasing Pte Ltd. First Capital Property Ventures Pte Ltd. Innova Investments Pte Ltd. Lim Manufacturing Pte Ltd. Oracle Trading Pre Ltd. Raffles Solutions Pte Ltd.

Sr. No	Name, Designation, father's Name, Address, Occupation and term	Age	Other Directorships
			Stockton Investments Pte Ltd. TEL Electronics Pte Ltd. Thakral Australia Pte Ltd. Thakral Brothers (Pte) Ltd. Thakral Emporium (1992) Pte Ltd. Thakral Land Pte Ltd. TPL Investments Pte Ltd. Thakral Pte Ltd. **Companies incorporated in British Virgin Islands** United Link Investments Ltd **Companies incorporated in Cambodia** Neeka Ltd. Thakral Cambodia Industries Ltd. **Company incorporated in Indonesia** P T Bitratex Industrial Corporation Ltd.- Commissioner **Company incorporated in Malasiya** Kuwait Malaysia Group Sdn Bhd **Companies incorporate in Mauritius** New Park Ltd. Paramount Park Ltd. Samuel Holdings Ltd. Temasek Investments (Mauritius) Ltd. Thakral Ltd. Thakral Holdings (Mauritius) Ltd. Thakral Investments Holdings (Mauritius) Ltd. **Company incorporated in Myanmar** Myanmar Thakral Ltd. **Company incorporated in Phillipines** Raffles Solutions & Services Inc. Technopaq Inc **Company incorporated in Poland** Fago Textil Przedsiebiorstwo Handlowe sp Z.o.o Pacific Technologies Sp Z.o.o **Company incorporated in United Kingdom** Trust Travel Limited.
4.	**Mr. Shabbir H. Hassanbhai** Non-Executive Director S/o (Late) Mr. Hakimuddin M. Hassanbhai 36 Keppel Bay Drive, # 05-78 Caribbean, Keppel Bay, Singapore 098653 Businessman	58	**Director of** Indo Straits Trading Co. (Pte.) Ltd. Hassanbhai Realty Pte Ltd. Zee Chin & Co Pte Ltd. Hakimuddin & Sons Pte Ltd. First Capital Property Ventures Pte Ltd. Information Technology Parks Inv Pte Ltd. IT Services Co-operative Ltd. Koperatif UFUK Singapura Bhd Gateway East India Pvt. Ltd. Parameswara Holdings Ltd. Information Technology Park Ltd.

Sr. No	Name, Designation, father's Name, Address, Occupation and term	Age	Other Directorships
			Alternate Director Gurgaon Technology Park Ltd. SARA Fund Trustee Company Limited
5	**Mr. Sat Pal Khattar** Non Executive Director S/o (Late) Mr. I. D. Khattar 3-D, Tanglin Hill Singapore -248035 Lawyer	62	**Director of** **Companies incorporated in Singapore** California Credit House Ltd. First Capital Insurance Ltd. Haw Par Corporation Ltd. Lee Kuan Yew Exchange Fellowship OUB Centre Ltd. Parameswara Holdings Ltd. APS Lifestyle Marketing Pte Ltd. Barista Coffee Company Pte Ltd. Bioenergy Investments (S) Pte Ltd. Aquarius Investment Advisors Pte. Ltd. Chengtu Enterprises Pte Ltd. Chew How Teck & Co Pte Ltd. Crest Communications (S) Pte Ltd. Eastdom Holdings Pte Ltd. Edutech Investments (India) Pte Ltd. First Capital Property Ventures Pte Ltd. Franburgh Management Services Pte Ltd. Grensburg Investments Pte Ltd. Infotech Solutions Pte Ltd. Integrated E-portal Holding Pte Ltd. Jarrington Pte Ltd. Khattar Holdings Pte Ltd. Kay Holdings Pte Ltd. Khattar Properties Pte Ltd. KSP Investments Pte Ltd. KWR Investments Pte Ltd. Marington Holdings Pte Ltd. Maz Energy Pte Ltd. J.M.Sassoon & Company Nominees (Pte) Ltd. J.M.Sassoon & Co (Pte) Ltd Sassoon Holdings Pte Ltd. Sassoon Custodian & Clearing Services Pte Ltd Sassoon Financial Futures Pte Ltd Strathburn Investments Pte Ltd. Strathburn Trading Pte Ltd. Stockton Investments Pte Ltd. Tourmasters Pte Ltd. Technowledge Asia Pte Ltd The Straits Trust & Management Ltd. Windmill International Pte Ltd. Guoco Investments Pte Ltd. Nagarjuna Holdings Vietnam Pte Ltd Shalimar Singapore Pte Ltd.

Sr. No	Name, Designation, father's Name, Address, Occupation and term	Age	Other Directorships
			Scicom (Scientific Computing) Asia Pacific Pte Ltd. Phytoprotein Biotech Pte Ltd Sapho Pte Ltd Savant Infocomm Pte Ltd AEC Edu. Group Pte Ltd. **Companies incorporated in India** AB Hotels Ltd. DCM Estates & Infrastructures Ltd. Edutech Informatics India Ltd. GTL Ltd. Gurgaon Technology Park Ltd. India Infoline Ltd. Prasha Technologies Ltd. Prima Vetcare Private Ltd. **Companies incorporated in Mauritius** BNP South Asia Investments Co Ltd. KSP Holdings Ltd. Magnus Capital Corporation Ltd. Reeshanar Investments Ltd. Edutech Holdings Ltd **Companies incorporated in other countries** Guoco Group Limited., Bermuda Cantel Far East Ltd., British Virgin Islands. Eltonvale Ltd. United Kingdom The English Assn of American Bond & Shareholders Ltd, United Kingdom **Chairman & Director** Guocoland Ltd Advanced Medical Systems Pte Ltd., Singapore
6.	**Mr. Kirpa Ram Vij** Independent Director S/o (Late) Mr. Devi Dial Vij 73, Dedap Road, Singapore 809477 Service	69	**Director of** VSC International Pte Ltd. Little India Arcade Pte Ltd Tabline Corporate Services Pte Ltd
7 `	**Mr. Michael P. Pinto** Independent Director S/o (Late) L. S. Pinto 405, Shalaka, M. Karve Road, Mumbai 400 021 **Retired – Service**	59	**Director of** Star Paper Mills Ltd. IL & FS Ltd.

Sr. No	Name, Designation, father's Name, Address, Occupation and term	Age	Other Directorships
8.	**Mr. K. J. M. Shetty** Independent Director S/o Dr. K. Vittal Shetty F-88, 1st Street Annanagar (East) Chennai 600 102 Retired – Service	70	**Director of** Roots Multiclean Ltd. Jumbo Bag Ltd. Loyal Textile Mills Ltd. Johnson Matthey Ceramics India Ltd. Savant India Institute of Technology Pvt. Ltd. Indev Warehouse and Conatiner Services Private Limited. Standard Cables Ltd.
9.	**Mr. Saroosh Dinshaw** Nominee Director S/o Mr. Cowasjee Dinshaw. Adenwalla Baug, Tardeo Road, Mumbai 400 0007 Service	33	

Brief Profile of the Directors

Mr. Gopinath Pillai, son of (late) Mr. Krishnan Sukumaran Pillai, aged 67 years, is the Chairman of the Company. He is also the Chairman of WLL and is on the Board of several private companies in Singapore and India. He has extensive experience in the areas of finance, industry and trading.He currently serves as the Non-resident Ambassador of Singapore to Iran. He is also Chairman of the Institute of South Asian Studies established by the Singapore Government.

Mr. Prem Kishan Gupta, son of (late) Mr. M L Gupta, aged 46 years, is the Deputy Chairman and Managing Director of the Company. He has been in the family business of trading in newsprint since he was 20 years old. He represents newsprint manufacturers in the USA, Canada and Europe with strong tie-ups in South East Asia.

Mr. Karan Singh Thakral, son of Mr. Kartar Singh Thakral, aged 49 years, was the pioneer in the introduction and establishment of consumer electronics business of the Thakral group. He established the consumer electronics division of the Thakral group in Singapore, which expanded its network to the neighbouring South-East countries and Middle East & Hong Kong. He is also responsible for the development of the textile division of the Thakral group.

Mr. Shabbir Hakimuddin Hassanbhai, son of (late) Mr. Hakimuddin M.Hassanbhai, aged 57 years, has business experience of 33 years in international trade. He has been the immediate past President of the Singapore Indian Chamber of Commerce & Industry, Treasurer of the Singapore Indian Development Association, Vice-Chairman of the Singapore Indian Education Trust. He has worked at senior level positions and was the Managing Director with Veneer Products Limited, Oregon, USA.

Brig. Gen. (Retd.) Kirpa Ram Vij , son of (late) Mr. Devi Dial, aged 69 years, is a non-executive Director of the Company. He successfully completed his term of 5 years as the CEO of the company in February 2001. During his tenure as the CEO, he oversaw the growth of the company and steered it into its current position. He has served in the Singapore Administrative Service and as Chief of Defence Staff of the Singapore Armed Forces. He was appointed Ambassador of Singapore to Egypt and Yugoslavia.

Mr. Sat Pal Khattar, son of (late) Mr. I D Khattar, aged 62 years, is a lawyer by profession. He has served as a senior partner in the firm of solicitors – Khattar, Wong and Partners and is now a consultant to the firm. He is also a director of a number of public companies in Singapore, Hong Kong and UK. His investments in India include real estate, commercial development, IT and IT education. He is the Chairman of the Singapore-India Foundation and Networj India established by Singapore Government.

Mr. K J M Shetty, son of Dr. K. Vittal Shetty, aged 70 years, is a retired IAS officer. He was a member of the board of Air India, Indian Airlines, Indian Tourism Development Corporation, Steel Authority India Ltd. and Salem Steel Ltd. He was the Chairman of International Airport Authority of India. He has served the Indian government and state governments in **various capacities.** He was the Joint Secretary for the Ministry of Steel, the Financial Advisor to the Ministry of Civil Aviation and Tourism, the Vigilance Commisssioner (in the rank of Chief Secretary) to the Government of Tamil Nadu.

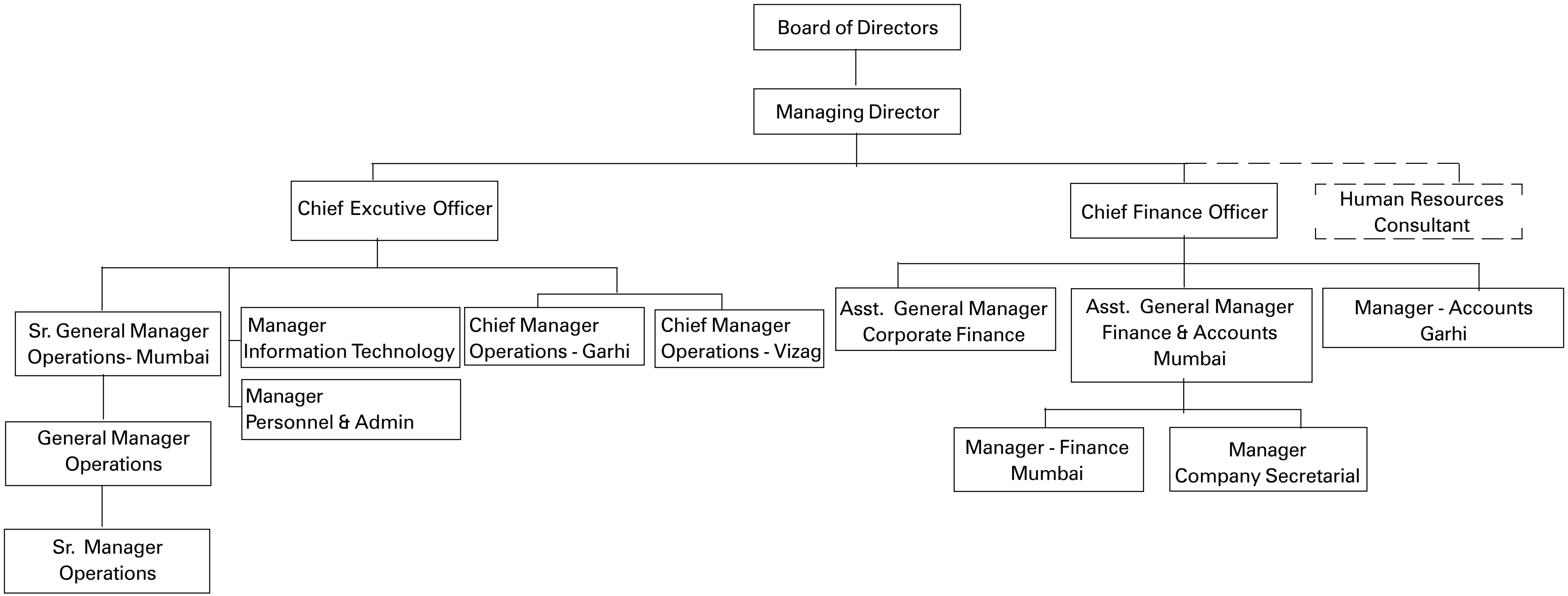
Mr. Michael P Pinto, son of (late) Mr. L S Pinto, aged 61 years, a retired IAS Officer, has been inducted into the Board during June 2004. He is a graduate of BA (Political Science) with a Masters in Sociology. He also has a master's degree of Public Administration from Harvard Unviersity.In his career as an IAS officer, he held various assignments like the Vice Chairman & MD of Maharashtra State Road Transport Corporation, MD of Maharashtra State Finance Corporation, Chairman of Mahrashtra State Electricity Board, Director General (shipping) for the Government of India and Chairman of JNPT. As the Chairman of JNP, Mr. Pinto played a stellar role in opening the port sector to private investment and in popularizing the concept of the landlord port. He is the only Indian to be elected as Vice Chairman of the Council of International Maritime Organisation.

Mr. Saroosh Dinshaw, son of Mr. Cowasjee Dinshaw, aged 33 years, is the nominee director from IDFC.

Shareholding of the Directors

Sr. No.	Name of Director	Number of Equity Shares	Percentage shareholding
1.	Mr. Gopinath Pillai	240,000	0.375%
2.	Mr. Shabbir Hakimmudin Hassanbhai	240,000	0.375%
3.	Mr. Karan Singh Thakral	240,000	0.375%
4.	Mr. Sat Pal Khattar	240,000	0.375%
5.	Mr. Prem Kishan Gupta	2,404,000	3.756%
6.	Mr. Kirpa Ram Vij	240,001	0.375%
7.	Mr. Michael Pinto	Nil	-
8.	Mr. K.J.M. Shetty	Nil	-
9.	Mr. Saroosh Dinshaw	Nil	-

Organisation Chart



Compensation of the Directors of the Company

For details of compensation of Mr. Prem Kishan Gupta, Deputy Chairman and Managing Director, and other Directors, please refer to the section "Statutory and Other Information" on page 210 of this Prospectus.

All the other directors are entitled to sitting fees as may be permissible under the Companies Act. The Directors may also be paid commission and any other amounts as may be decided by the Board in accordance with the provisions of the Companies Act and any other applicable laws and regulations of the country.

Term of Office of Directors

Mr. Prem Kishan Gupta is the Deputy Chairman & Managing Director of the Company. Mr. Gupta was appointed for the second term as approved by the Board of Directors at their meeting held on June 7, 2001 and further approved in the AGM dated September 27, 2001. Mr. Gupta has been appointed for a period of five years from July 20, 2001 to July 19, 2006

All the Directors except Mr. Saroosh Dinshaw, Nominee Director of IDFC, are liable to retire by rotation.

Changes in the Board of Directors during the last three years

S.No.	Name	Date of Appointment	Date of Cessation	Reason
1.	Mr. Arun Agarwal	May 30, 1994	June 16, 2004	Resignation
2.	Mr. P R Ahuja	April 01, 1996	April 08, 2002	Resignation
3.	Mr. Ho Peng Cheong	December 20, 1999	June 16, 2004	Resignation
4.	Mr. Janak Talsania	December 07, 2001	August 12, 2004	Resignation
5.	Mr. P R Yagnik	April 08, 2002	June 16, 2004	Resignation
6.	Mr. K J M Shetty	June 16, 2004	N/A	N/A
7.	Mr. Michael P Pinto	June 16, 2004	N/A	N/A
8.	Mr. Saroosh Dinshaw	August 12, 2004	N/A	N/A

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance become applicable to GDL at the time of seeking in-principle approval of the Stock Exchanges. GDL has complied with such provisions, including with respect to the appointment of independent Directors and the constitution of the following committees of the Board: the Audit and Investor Relation Committee, the Remuneration Committee and the Finance Committee. GDL undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the Corporate Governance Code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges, as would be applicable to the Company upon listing of its Equity Shares.

Audit / Investor Relations Committee:

The present Audit / Investor Relations Committee of the Company was constituted by the Board of Directors in their meeting held on August 12, 2004. The Audit / Investor Relations Committee of the Board is constituted to provide communication between the Board of Directors, the Auditors and the Management. The constitution of the Committee fulfils the requirements of Section 292A of the Companies Act, 1956 & clause 49 of the listing agreement.

Membership

The Audit/ Investor Relations Committee at GDL consists of four Directors and is appointed by the Board of Directors. All the members of the Committee are non-executive directors and represents the stipulated mix of Independent, Nominee and Promoter Directors. The Board of Directors also ensures that atleast one member of the committee has experience in Finance & Accounts field. However, a majority of the Directors, including the chairman, are independent Directors.

The quorum is considered complete when either 2 members or 1/3rd of the total number of members, whichever is higher, are present. However, at least 2 members, among those present, have to be independent directors.

Currently, the members of the Audit / Investor Relations Committee are:

Name of the Director	Status
Mr. K.J.M. Shetty*	Independent Director
Mr. Gopinath Pillai	Non-Executive Director
Mr. M. P. Pinto	Independent Director
Mr. Saroosh Dinshaw	Nominee Director

*Chairman of the Committee

Mr. K.J.M. Shetty possesses vast experience & expert knowledge of financial and accounting matters related to the activities undertaken by the Company.

Secretary

The Company Secretary of GDL is the Secretary of the Committee.

Attendance at meetings

Only members of the Committee are entitled to attend meetings of the Audit / Investor Committee.The Chairman of the Company, other non-executive directors, CEO, Finance Director, CFO, Head of internal audit, representatives of external auditors or other persons attend the meetings only by invitation. The Committee has the discretion to meet the external and internal auditors without the executive Board members or company's executives being present.

Frequency of meetings

The Committee plans to meet at least 3 times a year and conduct at least 1 meeting every 6 months and/or at least 1 meeting should be held before finalisation of accounts.

Powers of the Audit / Investor Relations Committee

The Audit / Investor Relations Committee is bestowed with following powers to:

- Investigate any activity within its terms of reference
- Seek information from any employee of GDL
- Obtain outside legal or professional advice
- Secure attendance of outsiders with relevant experience, if considered necessary

Role of Audit / Investor Relations Committee

a) Financial reporting

Oversee Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.To review and challenge where necessary, the actions and judgements of management, in relation to the Company's financial statements, operating and financial review, interim reports, preliminary announcements and related formal statements before submission to, and approval by, the Board and Auditors. The Committee would pay particular attention to:

- Critical accounting policies & practices and any changes therein
- Decisions involving a significant element of judgement
- Accounting & disclosure of exceptional items
- Clarity of disclosures

- Significant audit adjustments
- Going Concern adjustment
- Compliance with accounting standards
- Compliance with legal requirements & stock exchange requirements
- Other areas as defined by the Board.

b) Internal Control & Risk Management

- To review procedures for detection of fraud, including procedures for reporting frauds by staff in confidence.
- To review management & internal audit reports on the effectiveness of the systems for internal financial control, financial reporting & risk management.
- To monitor the integrity of internal financial controls
- To review disclosures on internal controls & risk management framework.
- To assess the scope & effectiveness of risk monitoring & control systems.
- To approve related party transactions. One member shall be authorised to pre-approve such transactions.

c) Internal Audit

- To appoint / dismiss the Internal Auditor & fix their remuneration for services.
- To assess the qualifications, expertise, resources, effectiveness and independence of the internal auditors.
- To review the internal audit function & internal audit programme.
- To ensure access of Internal Auditor to the Chairman of board / Audit Committee.
- To receive periodic internal audit reports.
- To review management response(s) to the internal audit report.
- To review effectiveness of internal audit in the company's risk management system.
- To review other services by the internal auditor to ensure internal auditor's independence / objectivity.

d) External Audit

- To recommend appointment / removal of External auditors of the Company to the Board and fix remuneration.
- To assess the qualifications, expertise, resources, effectiveness and independence of the external auditors annually.
- To discuss the nature and scope of audit before commencement of audit.
- To ensure completeness of coverage and optimum use of audit resources.
- To review the audit issues which are resolved / unresolved, errors encountered during audit, accounting / audit adjustments & management explanations.
- To review audit representation letters before approval by Board.
- To review audit process at the end of audit by discussion with external auditors on audit plan, audit risks, internal controls & feedback from key personnel involved.
- To review the management letter received from external auditors.
- To review non-audit services by the auditor to ensure external auditor's independence / objectivity.
- To annually review the accounts, audit of subsidiary companies with their Auditors & Audit Committee, so far it concerns the Company.

e) Systems Audit

- To appoint / dismiss Systems Auditors & fix their remuneration for services.
- To assess the qualifications, expertise, resources, effectiveness and independence of the systems auditors.
- To review the scope of systems audit programme.

- To ensure access of Systems Auditor to the Chairman of board / Audit Committee.
- To review management response to systems audit report.
- To review effectiveness of systems within the company.

f) Investors Relations Matters

- Approval of transfers of securities
- Approve request for transfer/transmission of Shares, dematerialization /Rematerialization of Shares, issue of duplicate Shares/ Bonds, issue of New Certificates on Split / Consolidation/ Renewal etc.
- Monitoring investors' complaints like transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc. & redressal thereof.
- Allotment and listing of shares
- Review of cases for refusal of transfer / transmission of shares
- Redressal of complaints pertaining to investor relations and issues related to non compliance of various statutory authorities like SEBI, Stock Exchanges, ROC, CLB & other statutory / regulatory authorities.
- Oversee the performance of the Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investor services.
- Review the status of pending complaints periodically.
- Investigate reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Monitor the utilization of the funds to be raised through proposed issue of Equity Shares.
- Seek professional advice, delegate authority for share transfers to officer of the Company / share transfer agents and constitute sub- committees required to discharge its functions.
- Other functions of a Audit / Shareholders / Investors Grievance Committee as required / recommended in the Listing Agreement.

Reporting

The Company Secretary circulates the minutes of the meetings of the Committee to all Directors. The Chairman of Audit / Investor Relations Committee attends the Board meetings at which the accounts are approved. The Chairman of the Committee also attends the Annual General Meeting and answers questions related to accounts, audit & the other activities of the Audit Committee.

The Audit / Investor Relations Committee has the right to review its terms of reference & recommend any necessary changes to the Board annually.

The Audit / Investor Relations Committee approves the report on its role, names & qualifications of members, number of meetings & attendance and comments on the way in which its responsibility was discharged and unresolved disagreements with the Board for inclusion in the Annual Report.

Remuneration & ESOP Committee

The present Remuneration & ESOP Committee of the Company was constituted by the Board of Directors in their meeting held on August 12, 2004 and reconstituted on February 11, 2005. The Remuneration & ESOP Committee of the Board has been constituted to determine the Company's policy on remuneration for directors / managerial remuneration including the grant of stock options to employees.

Membership

The Committee consists of four Directors, to be appointed by the Board of Directors. The members of the Committee are non-executive directors and must necessarily include two independent Directors including the chairman of the committee.

The quorum is deemed complete when either 2 members or 1/3rd of the total number of members, whichever is higher, are present. However, at least 2 members among those present, must be independent directors.

The Board appoints the Chairman of the Remuneration & ESOP Committee from amongst the independent directors.

Currently, the members of the Remuneration & ESOP Committee are:

Name of the Director	Status
Mr. M. P. Pinto *	Independent Director
Mr. Karan Singh Thakral	Non-Executive Director
Mr. K.R. Vij	Independent Director
Mr. Sat Pal Khattar	Independent Director
Mr. Saroosh Dinshaw	Nominee Director

*Chairman of the Committee

Secretary

The Company Secretary is the Secretary of the Committee.

Attendance at meetings

Only members are entitled to attend meetings of the Remuneration & ESOPC ommittee. The Chairman of the Company, other non-executive Directors, CEO, Finance Director, CFO, tax consultant or other persons may attend meetings at the invitation of the Committee.

Frequency of meetings

The Committee would meet such number of times as required and can take decisions by circular resolutions or through sub-committees.

Powers / Role of Remuneration & ESOP Committee

Subject to the supervision and control of the Board, the functions of the Remuneration & ESOP Committee include approval / recommendation to Board for approval of:

a) Remuneration / commission payable to directors
b) Managerial remuneration
c) Grant of stock options under the Employees Stock Option Scheme
d) Frame policies to attract, motivate & retain personnel
e) Other functions of a Remuneration & ESOP Committee as required / recommended in the Listing Agreement

Reporting

The Secretary would circulate the minutes of the meetings of the Committee to all Directors. The Remuneration & ESOP Committee will annually review its terms of reference & recommend any necessary changes to the Board.

Finance Committee

The Finance Committee of the Board is constituted to assist the Board to review & control the financial policies / practices of the Company.

Membership

The Committee consists of four Directors who are appointed by the Board of Directors. The quorum is deemed complete when either 2 members or 1/3rd of the total number of members constituting the committee are present. The Board appoints the

Chairman of the Finance Committee.

Currently, the members of the Finance Committee are:

Name of the Director	Status
Mr. Shabbir Hassanbhai *	Non-Executive Director
Mr. Prem Kishan Gupta	Executive Director
Mr. Karan Singh Thakral	Non-Executive Director
Mr. Saroosh Dinshaw	Nominee Director

*Chairman of the Committee

Secretary

The Company Secretary is the Secretary of the Committee.

Attendance at meetings

Only members are entitled to attend meetings of the Finance Committee. The Chairman of the Company, other non-executive directors, CEO, Finance Director, CFO, tax consultant or other persons can attend meetings at the invitation of the Committee.

Frequency of meetings

The Committee plans to meet such number of times as may be required. It can also take decisions by circular resolutions or through sub-committees.

Powers / Role of Finance Committee

Subject to the supervision and control of the Board, the functions of the Committee include approval / recommendation to the Board for approval of:

a) Financial guidelines and limits of financial authority for day- to- day operations
b) Capital expenditure including purchase or lease of, or taking of any interest in, land or immovable property
c) Loans or advances made by the company
d) Transactions with related parties
e) Borrowings / creation of security
f) Investment of funds
g) Giving guarantees or indemnities to secure liabilities or obligations of the company or any person
h) Annual Budget and Business plan
i) Agreements with contractors & major vendors
j) Discounts, waivers and write- off of debtors
k) Review costing / pricing of company's products & services
l) Opening / closing of bank accounts
m) Tax related matters
n) Such other functions, as may be directed by the Board.

The Committee may hold discussions with such banks, institutions, persons etc. constitute such sub committees and delegate such functions as considered necessary by the committee, from time to time.

Reporting

The Secretary shall circulate the minutes of the meetings of the Committee to all Directors. The Finance Committee can annually review its terms of reference & recommend any necessary changes to the Board.

Key Managerial Personnel

The Company is managed by a team of qualified and experienced professionals under the direct supervision of the Board of Directors.

Profiles of the key professionals are as follows:

Captain Kapil Anand, son of Mr. Krishan Lal Anand**,** aged 53 years, Chief Executive Officer of the Company, is a Master Mariner and has over 30 years of experience in the shipping and logistics industry. He has worked with Neptune Orient Lines (parent company of American President Lines) and Contship Container Lines in the capacity of operations manager, responsible for their shipboard operations and CFS activities. He has also worked at JNP, during the setting up of their CFS and logistics operations. He joined GDL as the Chief Operating Officer (COO) and was subsequently promoted to the CEO in October 2002. He was responsible for setting up the Phase II and Phase III of GDL and is now the overall in-charge of operations across all locations of the Company and reports to the Managing Director. Captain Anand drew a remuneration of Rs. 3.93 mn during the financial year 2003-04.

R. Kumar, son of Mr. M S Ramaswamy, aged 47 years, Chief Finance Officer & Company Secretary, of the Company is a qualified Chartered Accountant, Cost Accountant & Company Secretary and has over 23 years experience in the industry. He has a wide range of experience in finance, accounts, taxation, business planning, financial structuring, dealing with banks & financial institutions and managing capital issues across industries including Reliance Industries Limited, Chemplast Sanmar Limited, Sundram Fasteners Limited & Tata Exports Limited. He joined GDL in December 2000 as CFO & CS. He is responsible for all finance and compliance related matters at GDL and reports to the Board of Directors. Mr. Kumar drew a remuneration of Rs.2.29 mn during the financial year 2003 – 2004.

Captain Biswajit Chakravarthy, son of Shri Bijonendu Chakravarty, aged 48 years, Sr. G.M – Operations, is a qualified Master Mariner and has over 27 years experience in the industry. He has wide ranging experience with the shipping lines having worked with Shipping Corporation Limited for 9 years. Subsequently, he worked with Kandla Port Trust for over 9 years and his last posting was that of Harbor Master. Capt. Chakravarty joined GDL in April 2004. He is responsible for all operations at CFS, Mumbai and reports to the CEO. Captain Chakravarthy's current remenuration is Rs 1.6 mn.

Mr. Jacob Thomas, son of Mr. Thomas Verghese, aged 44 years, G M – Operations, holds a Masters degree in Arts from the University of Mumbai. He holds diplomas in computer science, rail transport management, multi modal transport, logistics management & containerisation and shipping and international trade. He has also attained technical training in port management from the National Institute of Port Management, Chennai. He acquired rich experience of over 20 years in container terminal handling and CFS management at Container Corporation of India for 11 years and Indian Railways for 5 years. He joined GDL in June 2000 as Sr. Operations Manager and was promoted as General Manager – Operations in April 2004. He is responsible for all export – import related matters concerning CFS Mumbai and reports to the Sr. General Manager. Mr. Jacob drew an annual remuneration of Rs. 0.74 mn in the last financial year.

Mr. Srinivas Reddy, son of Late Mr. Shree Sesha Reddy, aged 43 years, C M – ICD, Garhi Harsaru is a civil engineer. He has over 16 years experience of setting up and running the business of an ICD with Continental Warehousing Corp. Ltd., where he worked for over 10 years. He has experience in dealing with shipping lines, exporters, importers, customs house agents and movement of containers. He joined GDL as Chief Manager in April 2004. He is responsible for all operations at ICD, Garhi Harsaru and reports to the CEO. Mr. Reddy's current remuneration is Rs 0.6 mn

Mr. Kartik Aiyer, son of Mr. Y. Sundaram, aged 36 years, Asst. G M – Finance & Accounts is a Commerce Graduate from Mumbai University and a qualified Chartered Accountant, Cost Accountant & Company Secretary. He has over 14 years experience in finance, accounts and corporate law related matters with companies like Fiat Sundaram Auto Finance Limited. He joined GDL in February 2003 as Sr. Manager – Accounts and was promoted as Asst. General Manager in April 2004. He looks after all finance and accounts related matters at CFS Mumbai and reports to the CFO. Mr. Katik Aiyer drew an annual remuneration of Rs. 0.75 mn in the last financial year.

Mr. Jasmeet Chhabra, son of Mr. Harpal Singh Chhabra, aged 27 years, Asst. G M – Corporate Finance is an MBA in finance from MDI Gurugram. He has over 4 years of experience in the industry with companies like the Great Eastern Shipping Company

Limited, Reliance Industries Limited etc. He joined GDL in August 2004. He looks after all corporate finance related matters at GDL and reports to the CFO. Mr. Chhabra's current remuneration is Rs. 0.9 mn

Mr. Ravi Prasad Anupindi, son of Mr. Dattatrayalu, aged 38 years, Senior Manager – Operations is a commerce graduate from Andhra University, post graduate diploma in business management, shipping & export management and in systems development. He has also attained technical training in port management from National Institute of Port Management, Chennai. He acquired rich experience of over 15 years in container terminal handling and CFS management through his stint with Container Corporation of India. He joined GDL as Sr. Manager – Operations in April 2004. He is responsible for warehousing operations at CFS Mumbai and reports to the Sr. General Manager – Operations. His current remuneration is Rs. 0.6 mn.

Mr.Vinod Mathew, son of Mr. Thomas Mathew, aged 36 years, Manager – IT is an engineering graduate from University of Mumbai. He has 11 years experience in managing large to medium sized IT software and networking projects in addition to managing EDP activities in various IT and non- IT companies in India and overseas. He joined as Manager – IT in October 2002. He looks after all IT related initiatives at GDL and reports to the CEO. Mr. Vinod Mathew drew an annual remuneration of Rs. 0.75 mn in the last financial year.

The key managerial personnel whose names appear above are permanent employees and are on the rolls of the Company.

Shareholding of the Key Managerial Personnel **Nil**

Bonus or Profit sharing plan for the Key Managerial Personnel **Nil**

Changes in the Key Managerial Personnel in the last three years

Following are the changes in the key management personnel in the last three years:

Name	Designation	Date of Joining	Date of Leaving	Reasons
Mr. V. Padmanabhan	Asst. General Manager Operation	July 18, 2000	March 07, 2004	Resignation
Mr. Vinod Mathew Thomas	Manager – IT	October 14, 2002	-	Appointment
Mr.Kartik Aiyer	AGM Finance & Accounts	February 19, 2003	-	Appointment
Mr. V. Srinivas Reddy	Chief Manager	April 09, 2004	-	Appointment
Mr. Ravi Prasad Anupindi	Sr. Manager	April 15, 2004	-	Appointment
Captain Bishwajit Chakravarthy	Sr. General Manager Operation	April 15, 2004	-	Appointment
Mr. Jasmeet Chhabra	Asst. General Manager Corporate Finance	August 05, 2004	-	lAppointment

Interest of the Directors

For details of Interest of Directors, please refer to the section on "Statutory and Other Information" on Page 210 of this Prospectus.

PROMOTERS & THEIR BACKGROUND

GDL has been promoted by

Windmill International Pte. Ltd., Singapore
KSP Logistics Ltd., Singapore
Parameswara Holdings Ltd., Singapore
Thakral Corporation Ltd., Singapore
Thakral Investments Holdings (Mauritius) Ltd., Mauritius
Prism International Pvt. Ltd., India
Mr. Prem Kishan Gupta

None of the above promoter companies, except for Thakral Corporation Limited is a listed company, listed at the Singapore Stock Exchange. The primary activities of each of the promoters and their shareholding of the enhanced post issue capital are given below.

Particulars	**Activity**	**Post Issue Shareholding**	
Windmill International Pte Ltd. (WIPL)	Trading in agriculture and industrial products	8.47%	
KSP Logistics Ltd. (KSPLL)	Investment holding company	3.92%	12.39%
Parameswara Holdings Limited (PHL)	Investment holding company		10.62%
Thakral Corporation Limited (TCL)	Trading and distribution of high end consumer products and manufacturing of digital video display main boards and printer circuit boards	8.91%	
Thakral Investments Holdings (Mauritius) Limited (TIHML)	Investment holding company	3.49%	12.40%
Prism International Pvt. Ltd. (PIPL)	Non banking financial company	12.29%	
Mr. Prem Kishan Gupta		3.21%	15.50%
TOTAL			**50.91%**

Unless specifically mentioned, there are no auditor's qualifications or changes in accounting policies with respect to any of the above companies in the preceding three years.

There are no transactions between GDL and companies forming part of the promoters, promoter group and group companies during the preceding three years unless specifically mentioned.

Promoter Companies

1. Windmill International Pte. Ltd. ('WIPL')

WIPL was incorporated on September 20, 1973 in the name of Sextus De Silva Jewellers Pte Ltd. by two individuals. On February 16, 1978, this company changed its name to Windmill International Pte. Ltd. The initial shareholders of WIPL were Mr. Ho Peng Cheong, Mr. Gopinath Pillai and Mr. Charlie Phua. During the year 2001, KSP Investments Pte. Ltd. (KSPIPL) acquired all the shares from the initial shareholders and became the holding company of WIPL.

WIPL is in the business of trading in industrial and agricultural commodities and also acts as shipping commission agents.

Shareholding Pattern

As on March 31, 2004, KSP Investments Pte. Ltd. held 100% of the shares of WIPL.

Board of Directors

As on March 31, 2004, the board of director of WIPL comprised of:

Name	Designation
Mr. Gopinath Pillai	Chairman
Mr. Ho Peng Cheong	Director
Mr. Haider Mohamedally Sithawalla	Director
Mr. Sat Pal Khattar	Director
Ms. Jenny Phua Mui Keng	Director

Financial Performance

The brief financial details of WIPL for the last three years are as under:

(Rs. mn)

Particulars	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	133.04	317.58	644.86
Profit after Tax	(11.79)	(23.64)	(13.28)
Equity Share Capital	225.55	234.48	230.70
Reserves	(64.92)	(55.53)	(18.44)
Networth (excluding revaluation reserves)	160.63	178.95	212.26
Earning Per Share (EPS) (Rs.)	(1.35)	(2.72)	(1.53)
Net Asset Value (NAV) per share (Rs.)	18.45	20.56	24.38

Group Companies

List of group companies of WIPL with its individual shareholding in each of them is as follows:

Sr. No.	Name	% of holding
1.	Golden Peace Investments Ltd.	100%
2.	Shoreller Holdings Ltd., British Virgin Islands	100%
3.	Windmill International (Myanmar) Ltd.	89.9%
4.	*Blue Wave Shipping S.R.L.	100%

* 100% held by Shoreller Holdings Ltd.

Disassociation

Name of Company	Date of acquisition/ Incorporation	Date of disassociation	Quantity holding	% of Holding	Reasons	Sold to
Infocomm Technologies & Education Pte Ltd, Singapore	July 2000 (30%) January 2002 (35%)	November 2002	325,000 ordinary shares of S$1 each	65%	Restructuring	Savant Infocomm Pte Ltd
Edgemond Ltd, United Kingdom	June 1997	January 2003	2 ordinary shares of £1	100%	Liquidated	Not applicable
Tibet Jinzhu International (S) Pte Ltd., Singapore	June 1997	April 2003	20,000 ordinary shares of S$1 each	20%	Struck off	Not applicable

2. KSP Logistics Limited ('KSPLL')

KSPLL was incorporated on August 03, 1999 by Mr. Gopinath Pillai, Mr. Sat Pal Khattar, Mr. Haider Mohamedally Sithawalla, Hassanbhai Realty Pte Ltd., Kirpa Ram Vij & Nirmal Vij and Inder Vig & Sashi Vig. On December 01, 2003, Mr. Gopinath Pillai, Mr. Sat Pal Khattar and Mr. Haider Mohamedally Sithawalla bought over all the shares held by the remaining shareholders. KSPLL is an investment holding company.

Shareholding Pattern

The shareholding pattern of KSPLL as on March 31, 2004 is as follows:

Sr. No.	Name of the Shareholders	No. of shares	% of holding
1.	Mr. Gopinath Pillai		
2.	Mr. Haider Mohamedally Sithawalla	100,000	100%
3.	Mr. Sat Pal Khattar		
	Total	**100,000**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of KSPLL comprised of:

Name	***Designation***
Mr. Dev Joory	Director
Mr. Couldip Basanta Lala	Director
Mr. Gopinath Pillai	Director
Mr. Haider Mohamedally Sithawalla	Director

Financial Performance

The brief financial details of KSPLL for the last three years are as under:

(Rs. mn)

Particulars	March 31, 2004	March 31, 2003	March 31, 2002*
Total Income	5.74	0.00	1.69
Profit after Tax	5.32	(0.37)	1.27
Equity Share Capital	4.34	4.75	4.88
Reserves	5.53	0.55	0.94
Networth (excluding revaluation reserves)	9.87	5.31	5.82
Earning Per Share (EPS) (Rs.)	53.22	(3.66)	12.74
Net Asset Value (NAV) per share (Rs.)	98.72	53.08	58.22

* Accounts for the period from November 01, 2000 to March 31, 2002. The average conversion rate used for conversion of US Dollar to Indian Rupee is Rs. 47.47.

Group Companies

There are no group companies under KSPLL.

3. Parameswara Holdings Limited ('PHL')

PHL was incorporated in Singapore on May 26, 1993, under the Companies Act (Chapter 50) as a public company limited by shares. The company's principal activity is that of investments.

The company was incorporated under the auspices of the Singapore Indian Chamber of Commerce & Industry (SICCI) with the objective of spearheading Singapore investment and trade with India. The company's current investments, other than in Gateway Distriparks Limited, Mumbai, are in

a) 10% investment in a Singapore led consortium of companies in IT Technology Park Limited, Bangalore, located in Whitefield occupying 28 hectares of land with a current built up area of 2.1 mn square feet of office, production, commercial and retail spaces housed in five buildings. The Indian consortium partners include Tata Industries Limited and the Government of Karnataka through Karnataka Industrial Areas Development Board (KIADB);

b) 15% investment in a Singapore led consortium of companies in Gurgaon Technology Park Limited, Gurgaon, Haryana situated in Industrial Sector 33 and 34, Delhi-Jaipur Road occupying 70 acres of land with a development mix of light non-polluting industries, developed plots for the information technology industry and flatted software workshops. The Indian consortium partners are Haryana Urban Development Authority (HUDA) and Unitech Limited;

c) 55% in South Asian Regional Apex Fund (SARA Fund), a venture capital fund registered under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996. The investment managers of the fund are IL&FS

Shareholding Pattern

The shareholding pattern of PHL as on June 05, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments Holdings PTE Ltd.	3,220,500	12.88
2.	Appraisals & Management Private Ltd.	2,000,000	8.00
3.	AIPL PTE Ltd.	1,310,000	5.24
4.	Scotts Holdings Ltd.	1,310,000	5.24
5.	Kewalram Singapore Ltd.	920,000	3.68
6.	Sineximco Pte. Ltd.	920,000	3.68
7.	Sohans Invetsment Holdings Ltd.	920,000	3.68
8.	Sona Ratan PTE Ltd.	920,000	3.68
9.	Telekonsult (S) PTE Ltd.	655,000	2.62
11.	JT Chanrai (Singapore) Private Ltd.	500,000	2.00
12.	K A Investments PTE Ltd.	500,000	2.00
13.	Landco Realty Private Ltd.	500,000	2.00
14.	Shankar's Capital Ltd.	500,000	2.00
15.	Others	10,824,508	43.30
	Total	**25,000,008**	**100**

Board of Directors

As on March 31, 2004, the board of directors of PHL comprised of:

Name	Designation
Mr. S Dhanabalan	Chairman
Mr. Murli K. Chanrai	Deputy Chairman
Mr. Kartar Singh Thakral	Director
Mr. Sat Pal Khattar	Director
Mr. Shabbir H. Hassanbhai	Director
Mr. M. Rajaram	Director
Mr. D. D. Gupta	Director
Mr. Vijay Iyengar Kumar	Director
Mr. N.M. Ramchandani	Director
Mr. Karan Singh Thakral (Alternate to Mr. Kartar Singh Thakral)	Alternate Director

Financial Performance

The brief financial details of PHL for the last three years are as under:

(Rs. mn)

Particulars	Dec 31, 2003	Dec 31, 2002	Dec 31, 2001
Total Income	13.04	12.95	3.35
Profit After Tax (PAT)	9.92	(4.08)	(78.70)
Equity Share Capital	467.23	482.09	455.46
Reserves (excluding revaluation reserve)	(59.35)	(71.41)	(63.54)
Net Worth	467.23	482.09	455.46
Earning Per Share (EPS) (Rs.)	0.40	(0.16)	(3.15)
Net Asset Value (NAV) per share (Rs.)	18.69	19.28	18.22

Group Companies

List of Group companies of PHL with its individual shareholding in each of them is as follows:

Sr. No.	Name	% of holding
1.	First Capital Property Ventures Pte Ltd., Singapore	15%
2.	Information Technology Park Investments Pte Ltd., Singapore	10%

Disassociation

Name of Company	Date of acquisition/ Incorporation	Date of disassociation	Quantity holding	% of Holding	Reasons	Sold to
Parmeswara Investments Limited	March 04, 1996	September 09, 2004	4,601 Equity shares of Rs. 10 each	100%	Struck off	Not applicable

4. THAKRAL INVESTMENTS HOLDING (MAURITIUS) LIMITED ('TIHML')

TIHML was incorporated in Mauritius on April 11, 1995 as a long term investment holding company. The company was established mainly for investments in the listed and unlisted shares in Indian companies.

Shareholding Pattern

As on March 31, 2004, Thakral Investments Limited, Hong Kong held 100% of the shares of TIHML.

Board of Directors

As on March 31, 2004, the board of directors of TIHML comprised of:

Name	Designation
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. Eric A Venpin	Director
Mr. Jimmy Wong	Director

Financial Performance

The brief financial details of TIHML for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	59.68	2.82	5.10
Profit after Tax	28.66	(22.02)	4.65
Equity Share Capital	0.00	0.00	0.00
Reserves	130.39	113.15	153.55
Networth (excluding revaluation reserves)	130.39	113.15	153.55
Earning Per Share (EPS) (Rs.)	14,332,028.52	(11,008,251.57)	2,324,775.93
Net Asset Value (NAV) per share (Rs.)	65,13,006.20	56,575,244.18	76,772,796.60

Group Companies

List of group companies of TIHML with its individual shareholding in each of them is as follows:

Sr. No.	Name	% of holding
1.	Minnow Trading Pvt. Ltd.	100
2.	Westminster Developments Pvt. Ltd.	100
3.	Normandy Developments Pvt. Ltd.	100
4.	Khazina Developments Pvt. Ltd.	100
5.	Zarina Developments Pvt. Ltd.	100
6.	Sovereign Investments Ltd.	100
7.	Primeast Investments Ltd.	18.75
8.	Thakral Investments (India) Pvt. Ltd.	100
9.	Normanday Investments Pvt. Ltd.*	100
10.	Parjat Develpers Pvt. Ltd.*	100
11.	Raaya Developments Pvt. Ltd.*	100
12.	Glade Trading Company Pvt. Ltd.*	100
13.	Future World (India) Pvt. Ltd.*	100

* Subsidiaries of Thakral Investments (India) Pvt. Ltd.

5. THAKRAL CORPORATION LTD ('TCL')

TCL was incorporated in Singapore on October 07, 1993, as Thakral Corporation Singapore Pte Ltd. It was subsequently converted into a public company on August 26, 1994 and the name was changed to Thakral Corporation Singapore Limited. The company changed its name to Thakral Corporation Ltd. on November 23, 1994. Thakral Corporation Ltd was listed on December 11, 1995 on the SGX Mainboard.

The group's main businesses are trading and distribution of high-end consumer electronics, distribution of home entertainment software and contract manufacturing. Some of the major brands that TCL distributes are Panasonic, Orion, Sharp, Samsung, IBM and Sanyo. The major products distributed by TCL include digital video cameras, audio products, plasma televisions and notebook computers. Since 1998, the home entertainment division has released over 1,400 titles on home videos. Its subsidiary, CAV Thakral, a joint venture with the China Audio Video Publishing House (an arm of the People's Republic of China, Ministry of Culture) is a licensee for major studios including Buena Vista Home Entertainment, Disney MGM and Twentieth Century Fox. The contract manufacturing division assembles and manufactures (as a sub-contractor) electronic products such as Digital Video Display (DVD) main boards, Printed Circuit Board Assembly (PCBA) for industrial power detectors, high voltage control boards, communication boards and electrical meters. TCL's most recent product is the digital video compression card which is a key component used in the assembly of Digital Video Recorders (DVR) which are in turn used in the electronics security industry which includes Automated Teller Machines, defence, parking lot surveillance, police, building surveillance, remote education, highway surveillance and bank surveillance. The People's Republic of China and Hong Kong continue to be two of the company's principal markets.

Shareholding Pattern

The shareholding pattern of TCL as on March 31, 2004 is as follows:

As at March 31, 2004, Thakral Investments Limited held 19.19% of TCL's shares and the public held 51.95% of TCL's shares. The balance shares were held by its susbstantial shareholders - Avenue Asia Capital Management, LLC, Avenue Asia Special Situations Fund, LP, Avenue Asia Capital Partners, LP and Avenue Asia International Ltd.

Board of Directors

As on 31 March 2004, the Board of Director of TCL comprised of:

Name	Designation
Mr. Kartar Singh Thakral	Chairman
Mr. Natarajan Subramaniam	Vice Chairman
Mr. Inderbethal Singh Thakral	Director
Mr. Heng Chiang Meng	Director
Mr. Jasvinder Singh Thakral	Director
Mr. Lee Ying Cheunl	Director
Mr. Victor Loh Kwok Hoong	Director

Financial Performance

The brief financial details of TCL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	14,102.40	15,524.14	13,444.39
Profit after Tax	619.56	382.69	4,617.89
Equity Share Capital	1,938.05	2,014.82	1,982.30
Reserves	2,414.28	1,961.94	1,477.54
Networth (excluding revaluation reserves)	4,352.33	3,976.76	3,459.84
Earning Per Share (EPS) (Rs.)	0.41	0.26	3.09
Net Asset Value (NAV) per share (Rs.)	2.91	2.66	2.31

Share Quotation

a) Highest and lowest price in last six months

	In Singapore Dollar		Average Conversion Rate	In Indian Rupees	
Month	**High**	**Low**		**High**	**Low**
June 2004	0.145	0.135	26.554	3.85	3.58
July 2004	0.145	0.135	26.901	3.90	3.63
August 2004	0.14	0.12	27.0173	3.78	3.24
September 2004	0.135	0.125	27.1737	3.67	3.40
October 2004	0.13	0.11	27.2775	3.55	3.27
November 2004	0.12	0.11	27.2818	3.27	3.00

b) As on December 1,2004, the conversion rate was Singapore Dollar 0.110 for every Rs. 2.99.

TCL Disassociation

Name of Company	Date of acquisition/ Incorporation	Date of disassociation	Quantity holding (by TCL Group before Disass-ociation)	% of Holding (by TCL Group before Disass-ociation)	Reasons	Sold to
TCL Investment Unit Trust	16 Sep , 1996	During the year ended 31 March 2002	100%	100%	Dormant upon disposal of underlying investments	Not Applicable
Thai Orient Air Service Company Ltd	8 Jun, 1998	During the year ended 31 March 2002	2000 shares	100%	De-registered as no intention to commence busines	Not Applicable
Chengdu Thakral Electronics Industrial Corporation Ltd	28 Dec, 1993	During the year ended 31 March 2003	70% of common equity stock	70%	Non-viability of business operations	Not Applicable
Beijing Orient Air Service Co Ltd	24 Apr, 1996	During the year ended 31 March 2003	89% of common equity stock	89%	Non-viability of business operations	Not Applicable
TCL Investment (Australia) Pty Ltd	16 Sep, 1996	During the year ended 31 March 2003	100%	100%	Dormant upon disposal of underlying investments	Not Applicable
Beijing Thakral IT Co Ltd	9 Sep, 1996	During the year ended 31 March 2003	96% of common equity stock	96%	Non-viability of business operations	Not Applicable

Name of Company	Date of acquisition/ Incorporation	Date of disassociation	Quantity holding (by TCL Group before Disass-ociation)	% of Holding (by TCL Group before Disass-ociation)	Reasons	Sold to
Beijing Dong Fong De Yuan Cultural Development Company Ltd	28 Aug 1998	During the year ended 31 March 2004	85% of common equity stock	85%	Dormant upon disposal of underlying investments	Not Applicable
Thakral Information Technology Group Ltd	11 Jul, 1996	During the year ended 31 March 2003	2 ordinary shares	100%	De-registered as no intention to commence business	Not Applicable
Beijing Wenlu Laser Technology Co Ltd	19 Jun, 1998	During the year ended 31 March 2004	60% of common equity stock	60%	Exit from industry segment	Beijing CAV Tongfang Culture Communication Co., Ltd. and Beijing Tsinghua Tongfang Machinery & Electrical Industry Co. Ltd.
e.com Traders Ltd	26 Jul, 1999	During the year ended 31 March 2003	2 ordinary shares	100%	De-registered as no intention to commence business	Not Applicable
Cyber Hub Ltd	26 Jul, 1999	During the year ended 31 March 2003	2 ordinary shares	100%	De-registered as no intention to commence business	Not Applicable
China Express Associates Ltd	31 Jul, 1999	During the year ended 31 March 2004	999 ordinary shares	99.9%	Insignificant contribution to Group revenue	Everbest Resources Ltd.
China Express Associates (GZ) Ltd	16 Aug, 1999	During the year ended 31 March 2003	100% of common equity stock	100%	De-registered as no intention to commence business	Not Applicable
E2esoft Business Consulting (Shanghai) Co Ltd	14 Nov, 2000	During the year ended 31 March 2004	100% of common equity stock	100%	Non-viability of business operations	Not Applicable

Name of Company	Date of acquisition/ Incorporation	Date of disassociation	Quantity holding (by TCL Group before Disass-ociation)	% of Holding (by TCL Group before Disass-ociation)	Reasons	Sold to
Guangzhou Dong Fang De Yuan Cultural Development Co Ltd	18 Sep, 2000	During the year ended 31 March 2003	100% of common equity stock	100%	De-registered as no intention to commence business	Not Applicable
e2esoft Ltd	27 Apr, 2000	During the year ended 31 March 2003	2 ordinary shares	100%	De-registered as no intention to commence business	Not Applicable
e2esoft.com Ltd	19 Apr, 2000	During the year ended 31 March 2003	2 ordinary shares	100%	De-registered as no intention to commence business	Not Applicable
e2emart.com Ltd	19 Apr, 2000	During the year ended 31 March 2003	2 ordinary shares	100%	De-registered as no intention to commence business	Not Applicable
e2esoft Company Ltd	28 Jul, 2000	During the year ended 31 March 2003	1 ordinary share	100%	De-registered as no intention to commence business	Not Applicable

6. Prism International Private Limited ('PIPL')

PIPL was incorporated on September 23, 1994, and is registered with the RBI as a Non Banking Financial Company. PIPL is engaged in investment activities and money lending business.

Shareholding Pattern

The shareholding pattern of PIPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	M/S Newsprint Trading & Sales Corporation	7,215,010	66.40%
2.	Mr. Prem Kishan Gupta	3,600,120	33.14%
3.	Reliable Computer Solutions Pvt. Ltd.	50,000	0.46%
4.	Mrs. Mamta Gupta	10	0.00%
	Total	**10,865,140**	**100%**

Board of Directors

As on March 31, 2004, the board of director of PIPL comprised of:

Name	Designation
Mr. Premkishan Gupta	Director
Mrs.Mamta Gupta	Director
Mr. Arun Agarwal	Director

Financial Performance

The brief financial details of PIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	61.18	1.93	9.09
Profit after Tax	25.45	1.13	7.40
Equity Share Capital	108.65	108.65	108.65
Reserves	34.01	8.57	34.01
Networth (excluding revaluation reserves)	142.66	117.22	116.09
Earning Per Share (EPS) (Rs.)	2.34	0.10	0.68
Net Asset Value (NAV) per share (Rs.)	13.13	10.79	10.68

GROUP COMPANIES

PIPL has no group companies.

7. Mr. Prem Kishan Gupta

Mr. Prem Kishan Gupta, a bachelor in Science, driving license number P 98050399,son of (late) Shri M L Gupta, aged 46 years, is the Deputy Chairman and Managing Director of the Company.He is a founder promoter of the Company. He has been in the family business of trading in newsprint since he was 20 years old. He represents newsprint manufacturers in the USA, Canada and Europe with strong tie-ups in South East Asia.

List of group companies of Mr. Prem Kishan Gupta with his individual shareholding in each of them is as follows:

Sr. No.	Name	Shareholding %
1.	Prism International Pvt. Ltd.	33%
2.	Perfect Communication Pvt. Ltd.	87%
3.	Edgemond India Pvt. Ltd.	50%
4.	Mayfair Enterprises Private Ltd.	50%
5.	Fortune Technology Investments India Pvt. Ltd.	50%
6.	Star Cineplex Pvt. Ltd.	50%
7.	Newsprint Trading and Sales Corp. (Partnership Firm)	80%

The Company confirms that the Permanent Account Number, Bank Account Number and Passport Number of the Promoters have been submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Disassociation

Name of Company	Date of acquisition/ Incorporation	Date of disassociation	Quantity holding	% of Holding	Reasons	Sold to
Reliable Computer Solutions Pvt. Ltd.	November 1998	October 2004	4,270 Equity shares of Rs. 10 each	93%	No business activity	2,300 Shares to Mr. Gurdeep Singh Chadha and 1970 Shares to Uppal Housing Pvt. Ltd.
Prestige Colonisers Pvt. Ltd.	1996	April 2004	5,200 equity shares of Rs. 10 each	48%	No business activity	4,500 Shares to Mr. Suresh Chand
Gateway Acefusion dotcom Pvt. Ltd.	August 2000	October 2004	10 Equity shares of Rs.10 each	0.1%	Struck off	Not applicable

GROUP COMPANIES

Windmill International Pte. Ltd. group companies

1. Golden Peace Investment Ltd. ('GPIL')

GPIL was incorporated in the year 1995 in Hong Kong. The company is engaged in ship charter management business and has been dormant since 2003.

Shareholding Pattern

As on March 31, 2004, Windmill International Pte Ltd. held 100% of the shares of GPIL.

Board of Directors

As on March 31, 2004, the board of directors of GPIL comprised of:

Name	Designation
Mr. Ho Peng Cheong	Director
Mr. Lee Kok Loon	Director

Financial Performance

The brief financial details of GIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	-	-	2.70
Profit after Tax	(0.13)	(0.13)	0.61
Equity Share Capital	0.00	0.00	0.00
Reserves	1.01	1.24	1.40
Networth (excluding revaluation reserves)	1.01	1.24	1.40
Earning Per Share (EPS) (Rs)	(66,196.99)	(62,999.74)	306,414.76
Net Asset Value (NAV) per share (Rs)	505,315.07	621,249.78	701,729.55

*Accounts for the period from January 01, 2000 to March 31, 2002. The average conversion rate used for conversion of HongKong Dollar to Indian Rupee is Rs. 6.0889.

2. Windmill International (Myanmar) Limited. ('WIML')

WIML was incorporated in the year 1994 in the Union of Myanmar. The principal activities of the company are those relating to counter trade, import and export. WIML has been dormant since 1998.

Shareholding Pattern

The shareholding pattern of WIML as on March 31, 2004, is as follows:

Sr. No.	Name	% of holding
1.	Windmill International Pte Ltd.	89.9%
2.	Ms. Carol Aye	10.1%

Board of Directors

As on March 31, 2004, the board of directors of WIML comprised of:

Name	Designation
Mr. Ho Peng Cheong	Director
Ms. Carol Aye	Director

Financial Performance

The brief financial details of WIML for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	-	-	-
Profit after Tax	(0.01)	(0.03)	(0.01)
Equity Share Capital	3.90	4.27	4.39
Reserves	(21.65)	(23.70)	(24.53)
Networth (excluding revaluation reserves)	(17.75)	(19.43)	(8.96)
Earning Per Share (EPS) (Rs)	(22.98)	(452.75)	(244.92)
Net Asset Value (NAV) per share (Rs)	(29,587.44)	(323,792.45)	(149,396.50)

3. Shoreller Holdings Ltd. ('SHL')

SHL was incorporated in the year 1995 in the British Virgin Islands. The company is an investment holding company. The company has a 100% subsidiary named "Blue Wave Shipping SRL".

Shareholding Pattern

As on March 31, 2004, Windmill International Pte Ltd held 100% of the shares of SHL.

Board of Directors

As on March 31, 2004, the board of directors of SHL comprised of:

Name	Designation
Mr. Lee Kok Loon	Director
Mr. Low Kum Wah	Director

Financial Performance*

The brief financial details of SHL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	-	-	-
Profit after Tax	(0.52)	(1.07)	(0.74)
Equity Share Capital	0.00	0.00	0.00
Reserves	(3.11)	(2.87)	(1.86)
Networth (excluding revaluation reserves)	(3.11)	(2.87)	(1.86)
Earning Per Share (EPS) (Rs.)	(104,641.73)	(214,964.62)	(148,680.12)
Net Asset Value (NAV) per share (Rs.)	(622,651.12)	(573,698.13)	(372,613.14)

* The results are unaudited. As per the laws of the British Virgin Islands, the company is not required to get its accounts audited.

4. Blue Wave Shipping S.R.L. ('BWSS')

BWSS was incorporated in the year 1996 in Romania. The company is engaged in the business of shipping commission agency, countertrade, import and export. The company has been dormant since 2002.

Shareholding Pattern

As on March 31, 2004, SHL held 100% of the shareholding of BWSS

Board of Directors

As per the laws of Romania, a board of directors need not be constituted.

Financial Performance *

The brief financial details of BWSS for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.00	0.70	0.12
Profit after Tax	(0.54)	(0.89)	(0.30)
Equity Share Capital	1.10	1.20	1.24
Reserves	(1.75)	(1.28)	0.00
Networth (excluding revaluation reserves)	0.42	1.02	1.95
Earning Per Share (EPS) (Rs.)	(75.24)	(122.76)	(41.69)
Net Asset Value (NAV) per share (Rs.)	57.79	140.91	269.75

* The results are unaudited. As per the laws of Romania, the company is not required to get its accounts audited.

Parameswara Holdings Ltd. (Group Companies)

1. Information Technology Park Investment Pte Ltd. ('ITPIPL')

ITPIPL was incorporated in November 26, 1993, in Singapore. The principal activity of the company is that of a Investment holding company.

Shareholding Pattern

The shareholding pattern of ITPIPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Ascendas Pte Ltd.	27,250,500	75%
2.	RSP Architects Planners & Engineers (Pte) Ltd.	5,450,100	15%
3.	Parameswara Holdings Limited	3,633,400	10%

Board of Directors

As on September 30, 2004, the board of directors of ITPIPL comprised:

Name	Designation
Mr. Albert Hong Hin Kay	Director
Mr. Chong Siak Ching	Director
Mr. Goh Kok Huat	Director
Mr. Lai Huen Poh	(Alternate to Mr. Albert Hong Hin Kay)
Mr. Lim Teow Beng	Director
Mr. Lim Sin Teow	Director
Mr. Shabbir Hassanbahi	Director
Mr. Sithawala Haider Mohamedally	(Alternate to Mr. Shabbir Hassanbahi)

Financial Performance

The brief financial details of ITPIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	12.27	6.65	28.98
Profit after Tax	165.85	(66.59)	(122.32)
Equity Share Capital	886.14	921.24	906.37
Reserves	(779.64)	(978.72)	(898.97)
Networth (excluding revaluation reserves)	106.49	(57.48)	7.40
Earning Per Share (EPS) (Rs.)	4.85	(1.95)	(3.58)
Net Asset Value (NAV) per share (Rs.)	3.11	(1.68)	0.22

2. First Capital Property Ventures Pte Ltd. ('FCPVPL')

FCPVPL was incorporated in Singapore on September 09, 1994. FCPVPL has promoted Gurgaon Technology Park Limited, a joint venture with Unitech Limited and Haryana Urban Development Authority (HUDA) to undertake the development of approximately 70 acres of land for a Technology Park on National Highway in Gurgaon, Haryana, New Delhi, India. The principal activity of the company is that of an investment holding company.

Shareholding Pattern

The shareholding pattern of FCPVPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Guoco Land Limited	35	35%
2.	Thakral Corporation Limited	25	25%
3.	Parameswara Holdings Ltd.	15	15%
4.	Ascendas Land International Pte Ltd.	15	15%
5.	Sat Pal Khattar	10	10%
	Total	**100**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of FCPVPL comprised of:

Name	Designation
Mr. Sat Pal Khattar	Director
Mr. Karan Singh Thakral	Director
Mr. Shabbir Hassanbahi	Director
Mr. Quek Chee Hoon	Director
Mr. Dawn Lum	Director
Mr. Lim Sin Tiow	Director
Mr. C.D.P. Rajendran	Director

Financial Performance

The brief financial details of FCPVPL for the last three years are as under:

(Rs. mn)

	June 30, 2004	June 30, 2003	June 30, 2002
Total Income	-	-	-
Profit after Tax	(2.04)	(2.05)	(1.30)
Equity Share Capital	0.003	0.003	0.003
Reserves	(7.21)	(5.09)	(3.27)
Networth (excluding revaluation reserves)	(7.21)	(5.09)	(3.27)
Earning Per Share (EPS) (Rs.)	(20,393.58)	(20,517.17)	(12,966.92)
Net Asset Value (NAV) per share (Rs.)	(72,115.10)	(50,877.49)	(32,654.82)

Thakral Investments Holdings (Mauritius) Ltd. (Group Companies)

1. Minnow Trading Company Private Limited ('MTCPL')

The company was incorporated on April 25, 1994. The company is engaged in the business of property development.

Shareholding Pattern

The shareholding pattern of MTCPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments Holdings (Mauritius) Ltd.	16,350,000	100%
2.	Thakral Investments (India) Ltd.	19	
3.	Mr. B.P. Chaturvedi	1	
	TOTAL	**16,350,020**	**100%**

Board of Directors

As on March 31, 2004, the board of director of MTCPL comprised:

Name	Designation
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. B.P. Chaturvedi	Director
Mr. K.S. Bawa	Director
Mr. R.C. Bhavuk	Director

Financial Performance

The brief financial details of MTCPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	9.07	0	0
Profit after Tax	(0.77)	0	0
Equity Share Capital	163.50	163.50	163.50
Reserves	(0.77)	0	0
Networth (excluding revaluation reserves)	162.73	163.50	163.50
Earning Per Share (EPS) (Rs)	(0.05)	0	0
Net Asset Value (NAV) per share (Rs)	9.95	10.00	10.00

2. Westminster Developments Private Limited ('WDPL')

The company was incorporated on February 07, 1996.The company is engaged in the business of property development.

Shareholding Pattern

The shareholding pattern of WDPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments Holdings (Mauritius) Ltd.	1,000	99.8%
2.	Thakral Investments (India) Ltd.	1	0.1%
3.	Mr. B.P. Chaturvedi	1	0.1%
	TOTAL	**1,002**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of WDPL comprised of:

Name	Designation
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K.S. Bawa	Director
Mr. R.C. Bhavuk	Director
Mr. B.P. Chaturvedi	Director

Financial Performance

The brief financial details of WDPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.94	0.00	0.00
Profit after Tax	0.16	(0.05)	(0.04)
Equity Share Capital	0.10	0.10	0.00
Reserves	(0.09)	(0.25)	(0.20)
Networth (excluding revaluation reserves)	0.01	(0.15)	(0.20)
Earning Per Share (EPS) (Rs)	158.76	(53.35)	(21,127.50)
Net Asset Value (NAV) per share (Rs)	9.83	(148.93)	(97,884.00)

3. Normandy Developments Private Limited ('NDPL')

The company was incorporated on February 07, 1996.The company is engaged in the business of property development.

Shareholding Pattern

The shareholding pattern of NDPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments Holdings (Mauritius) Ltd.	1,000	99.8%
2.	Thakral Investments (India) Ltd.	1	0.10%
3.	Mr. B.P. Chaturvedi	1	0.10%
	TOTAL	**1,002**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of NDPL comprised of:

Name	Designation
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K.S. Bawa	Director
Mr. R.C. Bhavuk	Director
Mr. B.P. Chaturvedi	Director

Financial Performance

The brief financial details of NDPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	4.39	0.00	0.0005
Profit after Tax	1.60	(0.05)	(0.04)
Equity Share Capital	0.10	0.10	0.00
Reserves	1.27	(0.33)	(0.28)
Networth (excluding revaluation reserves)	1.37	(0.23)	(0.28)
Earning Per Share (EPS) (Rs)	1,598.14	(46.67)	(20,973.00)
Net Asset Value (NAV) per share (Rs)	1,369.78	(228.36)	(141,031.00)

4. Khazina Developments Private Limited ('KDPL')

The Company was incorporated on February 07, 1996.The Company is engaged in the business of property development.

Shareholding Pattern of KDPL

The shareholding pattern of KDPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments Holdings (Mauritius) Ltd.	1,000	99.8%
2.	Thakral Investments (India) Ltd.	1	0.1%
3.	Mr. B.P. Chaturvedi	1	0.1%
	TOTAL	**1,002**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of KDPL comprised of:

Name	Designation
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K.S. Bawa	Director
Mr. R.C. Bhavuk	Director
Mr. B.P. Chaturvedi	Director

Financial Performance

The brief financial details of KDPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0	0	0
Profit after Tax	(0.04)	(0.04)	(0.04)
Equity Share Capital	0.10	0.10	0.00
Reserves	(0.36)	(0.32)	(0.27)
Networth (excluding revaluation reserves)	(0.26)	(0.21)	(0.27)
Earning Per Share (EPS) (Rs)	(43.43)	(43.15)	(19,957.00)
Net Asset Value (NAV) per share (Rs)	(257.85)	(214.42)	(135,805.50)

5. Zarina Developments Private Limited ('ZDPL')

The Company was incorporated on February 07, 1996.The Company is engaged in the business of Property Development.

Shareholding Pattern

The shareholding pattern of ZDPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments Holdings (Mauritius) Ltd.	1,000	99.8%
2.	Thakral Investments (India) Ltd.	1	0.1%
3.	Mr. R.C.Bhavuk	1	0.1%
	TOTAL	**1,002**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of ZDPL comprised of:

Name	Designation
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K.S. Bawa	Director
Mr. R.C. Bhavuk	Director
Mr. B.P. Chaturvedi	Director

Financial Performance

The brief financial details of ZDPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0	0	0
Profit after Tax	(0.04)	(0.04)	(0.04)
Equity Share Capital	0.10	0.10	0.00
Reserves	(0.36)	(0.32)	(0.27)
Networth (excluding revaluation reserves)	(0.26)	(0.22)	(0.27)
Earning Per Share (EPS) (Rs)	(43.52)	(43.15)	(20,066.50)
Net Asset Value (NAV) per share (Rs)	(258.55)	(215.03)	(136,108.50)

6. Sovereign Investments Private Limited ('SIPL')

The company was incorporated on February 07, 1996.The company is engaged in the business of property development.

Shareholding Pattern

The shareholding pattern of SIPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments Holdings (Mauritius) Ltd.	1,000	99.8%
2.	Thakral Investments (India) Ltd.	1	0.1%
3.	Mr. B.P. Chaturvedi	1	0.1%
	TOTAL	**1,002**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of SIPL comprised of:

Name	Designation
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K.S. Bawa	Director
Mr. R.C. Bhavuk	Director
Mr. B.P. Chaturvedi	Director

Financial Performance

The brief financial details of SIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0	0	0
Profit after Tax	(0.01)	(0.01)	(0.10)
Equity Share Capital	0.10	0.10	0.10
Reserves	(3.09)	(3.07)	(3.06)
Networth (excluding revaluation reserves)	(2.99)	(2.97)	(3.06)
Earning Per Share (EPS) (Rs)	(14.72)	(14.31)	(51,911.50)
Net Asset Value (NAV) per share (Rs)	(2,982.21)	(2,967.49)	(1,529,541.50)

7. Primeast Investments Limited ('PEIL')

The company was incorporated on January 25, 1983. It was initially formed as a private limited company and later become public and changed its name to Parvidhgaar Leasing and Finance Limited. The Company made its first public issue in the year 1984. The name was subsequently changed to Primeast Investments Limited on November 16, 1994. The main business of the company up to the year 2000 was leasing and hire purchase activities. The company changed its main objects clause to computer software and internet related activities at the 17th AGM of the company held in the year 2000. Consequently, the company has invested in the shares of M/s. Pacific Internet (India) Pvt. Ltd. (A Joint Venture between Pacific Internet, Singapore and Thakral Group, Singapore).

Shareholding Pattern

The shareholding pattern of PEIL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments Holdings (Mauritius) Ltd	2,200,000	18.75%
2.	Paramount Park Ltd.	2,900,000	24.71%
3.	Trust Leasing and Finance Ltd.	1,284,400	10.95%
4.	Thakral Investments India Ltd	4,029,200	34.34%
5.	Kanwaljeet Singh Dhillon (NRI)	580,000	4.94%
6.	Capital Trust Stocks Ltd.	180,000	1.53%
7.	Other General Public	515,480	4.39%
8.	NRI - Individuals	46,000	0.39%
	TOTAL	**11,735,080**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of PEIL comprised of:

Name	Designation
Mr. R.C. Bhavuk	Managing Director
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K.S. Bawa	Director
Mr. B.P. Chaturvedi	Director

Financial Performance

The brief financial details of PEIL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.19	0.11	0.82
Profit after Tax	(2.70)	(2.26)	(2.25)
Equity Share Capital	117.35	117.35	117.35
Reserves	(34.96)	(32.26)	(30.01)
Networth (excluding revaluation reserves)	82.39	85.09	87.35
Earning Per Share (EPS) (Rs.)	(0.21)	(0.18)	(0.19)
Net Asset Value (NAV) per share (Rs.)	6.52	6.73	7.44

Share Quotation

Highest and lowest price in last six months

The Shares were not quoted during the preceding six months.

Shares were last quoted at Rs. 8.50 on March 26, 1999

Investor Greivance Redressal System

PEIL has constituted a Sharehoders' Greivance Committee with 3 Directors and holds the committee meeting on the basis of investor complaints received.

7. Thakral Investments (India) Private Limited ('TIIPL')

The Company was incorporated on February 19, 1986 as Thakral Electronics Pvt. Ltd. and changed its name on June 23, 1997. The Company is engaged in investment activities.

Shareholding Pattern of TIIPL

As on March 31, 2004, Thakral Investments Holdings (Mauritius) Ltd. held 100% of shares of TIIPL

Board of Directors

As on March 31, 2004, the Board of Director of TIIPL comprised:

Name	Designation
Mr. Gurmukh Singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. B.P. Chaturvedi	Director
Mr. G.D. Khemani	Director

Financial Performance

The brief financial details of TIIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	33.14	2.83	1.20
Profit after Tax	(0.80)	1.01	0.29
Equity Share Capital	25.00	25.00	25.00
Reserves	0.45	4.59	(5.44)
Networth (excluding revaluation reserves)	25.45	29.59	19.57
Earning Per Share (EPS) (Rs)	(0.32)	0.40	0.12
Net Asset Value (NAV) per share (Rs)	10.18	11.83	7.83

8. Future World (India) Pvt. Ltd ('FWIPL')

The Company was incorporated on June 13, 2000. The Company is engaged in the business of electronics .

Shareholding Pattern

The shareholding pattern of FWIPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Computers Pvt. Ltd	1	0.01%
2.	Thakral Investments (India) Pvt. Ltd	9,990	99.90%
3.	Mr. B. P. Chaturvedi	9	0.09%
	TOTAL	**10,000**	**100.00%**

Board of Directors

As on March 31, 2004, the board of directors of FWIPL comprised of:

Name	Designation
Mr. B. P. Chaturvedi	Director
Mr. Lakshmi Narayan	Director

Financial Performance

The brief financial details of FWIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.01	21.47	15.92
Profit after Tax	(0.25)	(0.90)	(0.12)
Equity Share Capital	0.10	0.10	0.00
Reserves	(1.28)	(0.10)	(0.13)
Networth (excluding revaluation reserves)	(1.18)	(0.00)	(0.13)
Earning Per Share (EPS) (Rs.)	(25.23)	(90.03)	(6,134.35)
Net Asset Value (NAV) per share (Rs.)	(118.40)	(0.32)	(6,540.85)

9. Normandy Investments Pvt. Ltd ('NIPL')

The company was incorporated on February 07, 1996. The principal activity of the company is to carry on investment activities.

Shareholding Pattern

The shareholding pattern of NIPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1	Thakral Investments (India) Pvt. Ltd	2,876	99.97%
2	Mr. B. P. Chaturvedi	1	0.03%
	TOTAL	**2,877**	**100.00%**

Board of Directors

As on March 31, 2004, the board of directors of NIPL comprised of:

Name	Designation
Mr. Gurmukh singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K. S. Bawa	Director
Mr. R. C. Bhavuk	Director

Financial Performance

The brief financial details of NIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0	0	0
Profit after Tax	(0.01)	(0.01)	(0.11)
Equity Share Capital	0.29	0.29	0.29
Reserves	(0.41)	(0.39)	(0.38)
Networth (excluding revaluation reserves)	(0.12)	(0.10)	(0.09)
Earning Per Share (EPS) (Rs.)	(5.13)	(4.81)	(36.55)
Net Asset Value (NAV) per share (Rs.)	(41.37)	(36.25)	(31.44)

10. Parjat Developments Private Ltd. ('PDPL')

The company was incorporated on February 07, 1996. The principal activity of the company is to carry on investment activities.

Shareholding Pattern

The shareholding pattern of PDPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Investments (India) Pvt. Ltd	2,001	99.95%
2.	Mr. B. P. Chaturvedi	1	0.05%
	TOTAL	**2,002**	**100.00%**

Board of Directors

As on March 31, 2004, the board of directors of PDPL comprised of:

Name	Designation
Mr. Gurmukh singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K. S. Bawa	Director
Mr. R. C. Bhavuk	Director

Financial Performance

The brief financial details of NIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	-	-	-
Profit after Tax	(0.01)	(0.01)	(0.11)
Equity Share Capital	0.20	0.20	0.20
Reserves	(0.33)	(0.31)	(0.30)
Networth (excluding revaluation reserves)	(0.13)	(0.11)	(0.10)
Earning Per Share (EPS) (Rs.)	(7.36)	(6.81)	(52.60)
Net Asset Value (NAV) per share (Rs.)	(64.22)	(56.86)	(50.05)

11. Raaya Developments Pvt. Ltd.('RDPL')

The company was incorporated on February 07, 1996. The principal activity of the company is to carry on investment activities.

Shareholding Pattern

The shareholding pattern of RDPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
2.	Thakral Investments (India) Pvt. Ltd	4,501	99.98%
3.	Mr. B. P. Chaturvedi	1	0.02%
	TOTAL	**4,502**	**100.00%**

Board of Directors

As on March 31, 2004, the board of directors of RDPL comprised of:

Name	Designation
Mr. Gurmukh singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. K. S. Bawa	Director
Mr. R. C. Bhavuk	Director

Financial Performance

The brief financial details of RDPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0	0	0
Profit after Tax	(0.01)	(0.01)	(0.11)
Equity Share Capital	0.45	0.45	0.45
Reserves	(0.58)	(0.57)	(0.55)
Networth (excluding revaluation reserves)	(0.13)	(0.12)	(0.10)
Earning Per Share (EPS) (Rs.)	(3.31)	(3.07)	(23.34)
Net Asset Value (NAV) per share (Rs.)	(28.94)	(25.63)	(22.56)

12. Glade Trading Company Pvt. Ltd. ('GTCPL')

The company was incorporated on June 23, 1995. The principal activity of the company is to carry on investment activities.

Shareholding Pattern

The shareholding pattern of GTCPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
2.	Thakral Investments (India) Pvt. Ltd.	10,099	99.99%
3.	Thakral Computers Pvt. Ltd.	1	0.01%
	TOTAL	**10,100**	**100.00%**

Board of Directors

As on March 31, 2004, the board of directors of GTCPL comprised of:

Name	Designation
Mr. Gurmukh singh Thakral	Director
Mr. Karan Singh Thakral	Director
Mr. R. C. Bhavuk	Director
Mr. K. J. Binoj	Director

Financial Performance

The brief financial details of GTCPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.02	0	0
Profit after Tax	(0.03)	(0.05)	(0.09)
Equity Share Capital	0.10	0.10	0.001
Reserves	(0.24)	(0.21)	(0.16)
Networth (excluding revaluation reserves)	(0.14)	(0.10)	(0.16)
Earning Per Share (EPS) (Rs.)	(3.04)	(0.00)	(0.01)
Net Asset Value (NAV) per share (Rs.)	(13.37)	(0.01)	(0.01)

Thakral Corporation Ltd. (Group Companies)

1. Thakral Overseas Pte Ltd ('TOPL')

TOPL was incorporated in Singapore on December 21, 1992 as a private limited company. TOPL was incorporated as an investment holding company.

TOPL has promoted the following companies:

Name of the Company & Country of Incorporation	Shareholding (%)
Thakral Technology Pte. Ltd. (Singapore)	100
Beijing Thakral Business Consultation Co. Ltd. (China)	90
Shanghai Thakral Electronics Industrial Corporation Ltd. (China)	90
Wearnes Thakral Pte Ltd. (Singapore)	50

Shareholding Pattern

As on March 31, 2004, TCL held 100% of the share holding of TOPL

Board of Directors

As on March 31, 2004 the board of directors of TOPL comprised of:

Name	Designation
Mr.Karan Singh Thakral	Director
Mr.Inderbethal Singh Thakral	Director
Mr.Gurmukh Singh Thakral	Director
Mr.Jasvinder Singh Thakral	Director
Mr.Rikhipal Singh Thakral	Director
Mr.Chennoth Divakara Prabhu Rajendran	Director

Financial Performance

The brief financial detail of TOPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	1,298.64	1,458.64	1,551.27
Profit after Tax	62.23	1,015.38	(465.87)
Equity Share Capital	25.91	26.94	26.50
Reserves	(2,841.31)	(3,037.56)	4,098.08)
Networth (excluding revaluation reserves)	(2,815.40)	(3,010.62)	(4,071.58)
Earning Per Share (EPS) (Rs.)	62.23	1,015.38	(465.87)
Net Asset Value (NAV) per share (Rs.)	(2,815.40)	(3,010.62)	(4,071.58)

The financial information of group companies of TOPL, have been consolidated into TOPL. Hence standalone accounts of these group companies are not included in this Prospectus.

2. Thakral Corporation (HK) Ltd ('TCHK')

TCHK was incorporated in Hong Kong on January 03, 1990 as a private limited company. Thakral family companies established a business unit in Hong Kong in 1973 (Thakral Brothers (HK) Ltd.), which began the export of textiles in 1977. In 1982, the consumer electronic products distribution business was introduced as a division within Thakral Brothers (HK) Ltd. As part of a restructuring exercise on April 01, 1993, all of the business and undertaking, assets and liabilities of Thakral Brothers (HK) Limited were transferred to TCHK. TCHK is involved in the business of trading in consumer electronics products. TCHK also acts as a holding company for the investments of the TCL group.

TCHK has promoted the following companies:

Name of the Company & Country of Incorporation	**Shareholding (%)**
Thakral Realty (H.K) Ltd., Hong Kong	100
Crown Base Investment Ltd., Hong Kong	100
Thakral Brothers (China) Ltd., Hong Kong	100
Anbest Electronic Ltd., Hong Kong	100
DOT Holdings Ltd., British Virgin Islands	80
Golden Trophy Ltd., Hong Kong	100
The One Electronics City (BVI) Company Ltd., British Virgin Islands	100
Thakral Home Entertainment Ltd., Hong Kong	100
Thakral Corporation (Mauritius) Ltd., Mauritius	100
Raffles Investments Ltd., Mauritius	100
Prestige Wealth Ltd., Hong Kong	100
New Function Ltd., British Virgin	100
Besttb2b.com Ltd., Hong Kong	100
Besttb2b.com Ltd., British Virgin Islands	100

Name of the Company & Country of Incorporation	Shareholding (%)
Digital Infotech Holdings Ltd., Cayman Islands	100
Digital Infotech (BVI) Ltd., British Virgin Islands	100
DOT Media Holdings Ltd., Cayman Islands	80
DOT Media Holdings (HK) Ltd., Hong Kong	80
DOT Media Ltd., Hong Kong	80
DOT Media Industries Ltd., Hong Kong	80
DOT Media Corporation Ltd., Hong Kong	80
The One Electronics City Co. Ltd., Hong Kong	100
Guangzhou The One Electronic Development Co. Ltd., China	100
Wu Jiang Da Fa Real Estate Development Co. Ltd., China	55
Golden Trophy Holdings Ltd., Hong Kong	100
Zhong Lu Voice Image Lease Co. Ltd., China	70
CAV-Thakral Home Entertainment Co. Ltd., China	60
Thakral (Chengdu) Digital Technology Development Co. Ltd., China	100
Digital Infotech (HK) Ltd., Hong Kong	100
Digital Infotech (USA) Inc., USA	100
Digital Info Technology Pte Ltd, Singapore	100
China Express Corporation Ltd, Hong Kong	100
Suns Greater China Ltd, Hong Kong	100

Shareholding Pattern

As on March 31, 2004, TCL held 100% of the share holding of TCHK

Board of Directors

As on March 31, 2004, the board of directors of TCHK comprised of:

Name	Designation
Mr. Kartar Singh Thakral	Director
Mr. Inderbethal Singh Thakral	Director
Mr. Kanwaljeet Singh Dhillon	Director

Financial Performance

The brief financial detail of TCHK for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	13,404.49	14,214.96	11,719.61
Profit after Tax	905.72	861.43	2,033.42
Equity Share Capital	1,690.75	1,850.11	1,900.69
Reserves	2,395.13	1,710.24	877.44
Networth (excluding revaluation reserves)	4,085.88	3,560.35	2,778.12
Earning Per Share (EPS) (Rs)	2.98	2.84	6.70
Net Asset Value (NAV) per share (Rs)	13.46	11.73	9.15

The financial information of group companies of TCHK, have been consolidated into TCHK. Hence standalone of accounts of these group companies are not included in this Prospectus.

3. Thakral Brothers Ltd. ('TBL')

TBL was incorporated in Japan in 1972 to take over the business of purchasing office for textiles of Thakral Family Companies. In 1975, the Thakral family companies diversified into the distribution of consumer electronic products and TBL also became the group's purchasing office for consumer electronic products in Japan.

Shareholding Pattern

As on March 31, 2004, TCL held 100% of the share holding of TBL.

Board of Directors

As on March 31, 2004 the Board of Directors of TBL comprised of:

Name	Designation
Mr. Kuldip Singh Thakral	Director
Mr. Jasvinder Singh Thakral	Director

Financial Performance

The brief financial detail of TBL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	9,959.15	10,504.84	7,611.87
Profit after Tax	82.54	55.61	54.58
Equity Share Capital	8.33	8.05	7.36
Reserves	676.94	735.82	621.11
Networth (excluding revaluation reserves)	685.27	743.87	628.47
Earning Per Share (EPS) (Rs)	2,063.62	1,390.35	1,364.44
Net Asset Value (NAV) per share (Rs)	17,131.72	18,596.81	15,711.72

The financial information of group companies of TBL, have been consolidated with TBL. Hence, individual accounts of these group companies are not included in this Prospectus.

4. First Capital Property Ventures Pte Ltd ('FCPVPL')

Disclosure made under the group companies of Parameswara Holdings Ltd. on page 102 of this Prospectus.

5. Lightship China Pte Ltd ('LCPL')

LCPL was incorporated in Singapore on January 09, 2001 as a joint venture with Lightship Asia-Pacific Pte. Ltd. to charter airships which will be used as advertising media for products and services of organizations in China and Hong Kong.

Shareholding Pattern

Shareholding pattern of LCPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Thakral Corporation Ltd	38	38%
2.	Lightship Asia-Pacific Pte Ltd	62	62%
	TOTAL	**100**	**100%**

Board of Directors

As on March 31, 2004 the Board of Directors of LCPL comprised of:

Name	Designation
Mr. Lee Ying Cheun	Director
Mr. Inderbethal Singh Thakral	Director
Mr. Chiew Sin Onn, Francis	Director
Mr. Charles Dominic Ehrler	Director
Mr. James Richard Thiele	Director
Mr. Anthony Robert Obrzut	Director

Financial Performance

The brief financial detail of LCPL for the last three years are as under:

(Rs. mn)

	Dec 31, 2003	Dec 31, 2002	Dec 31, 2001
Total Income	-	-	-
Profit after Tax	0.30	(0.18)	(0.29)
Equity Share Capital	0.00	0.00	0.00
Reserves	(0.17)	(0.49)	(0.29)
Networth (excluding revaluation reserves)	(0.17)	(0.49)	(0.28)
Earning Per Share (EPS) (Rs)	3,048.67	(1,814.03)	(2,897.02)
Net Asset Value (NAV) per share (Rs)	(1,678.84)	(4,861.41)	(2,847.59)

Group companies of Mr. Prem Kishan Gupta

1. Perfect Communication Pvt. Ltd. ('PCPL')

PCPL was incorporated on February 06, 1990

PCPL has acquired leasehold property and is deriving income from lease of these premises.

Shareholding Pattern

The shareholding pattern of Perfect Communication Pvt. Ltd. as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Mr. Prem Kishan Gupta	11,000	87.30%
2.	Mrs. Mamta Gupta	1,600	12.70%
	TOTAL	**12,600**	**100%**

Board of Directors

As on March 31, 2004, the Board of Director of Perfect Communication Pvt. Ltd. comprised:

Name	Designation
Mr. Prem Kishan Gupta	Director
Mrs. Mamta Gupta	Director
Mr. Hari Kishan Sharma	Director

Financial Performance

The brief financial details of Perfect Communication Pvt. Ltd. for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	9.77	0	0
Profit after Tax	(0.92)	(0.01)	(0.06)
Equity Share Capital	0.13	0.13	0.07
Reserves	(1.05)	(0.13)	(0.12)
Networth (excluding revaluation reserves)	(0.93)	(0.01)	(0.05)
Earning Per Share (EPS) (Rs)	(73.23)	(1.12)	(9.76)
Net Asset Value (NAV) per share (Rs)	(73.61)	(0.38)	(7.67)

2. Edgemond India Pvt. Ltd. ('EIPL')

The company was incorporated on November 08, 1999. The company has not started any business activity yet.

Shareholding Pattern

The shareholding pattern of EIPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Mr. Prem Kishan Gupta	5,250	50%
2.	Mrs. Mamta Gupta	5,250	50%
	TOTAL	**10,500**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of EIPL comprised of:

Name	Designation
Mr. Prem Kishan Gupta	Director
Mrs.Mamta Gupta	Director

Financial Performance

The brief financial details of EIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.00	0.00	0.00
Profit after Tax (Transferred to Balance Sheet)	(0.02)	(0.02)	(0.01)
Equity Share Capital	0.11	0.11	0.11
Reserves	(0.19)	(0.18)	(0.16)
Networth (excluding revaluation reserves)	(0.09)	(0.07)	(0.06)
Earning Per Share (EPS) (Rs)	(1.46)	(1.43)	(1.17)
Net Asset Value (NAV) per share (Rs)	(8.24)	(6.78)	(5.35)

3. Mayfair Enterprises Private Ltd. [Formerly Price & Pierce (India) Pvt. Ltd.] ('MEPL')

The company was incorporated on November 24, 1999. The company is not engaged in any business.

Shareholding Pattern

The shareholding pattern of MEPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Mr. Prem Kishan Gupta	5,250	50%
2.	Mrs.Mamta Gupta	5,250	50%
	TOTAL	**10,500**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of MEPL comprised of:

Name	Designation
Mr. Prem Kishan Gupta	Director
Mrs.Mamta Gupta	Director

Financial Performance

The brief financial details of MEPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.01	0.02	0.3
Profit after Tax	(0.05)	(0.05)	(0.08)
Equity Share Capital	0.11	0.11	0.11
Reserves	(0.24)	(0.22)	(0.20)
Networth (excluding revaluation reserves)	(0.14)	(0.11)	(0.09)
Earning Per Share (EPS) (Rs)	(5.04)	(4.71)	(7.55)
Net Asset Value (NAV) per share (Rs)	(12.96)	(10.76)	(8.88)

4. Fortune Technology Investments India Pvt. Ltd. ('FTIIPL')

The company was incorporated on May 15, 2000. The company has not started any business activity as yet.

Shareholding Pattern of FTIIPL

The shareholding pattern of FTIIPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Mr. Prem Kishan Gupta	5,010	50%
2.	Mrs.Mamta Gupta	5,010	50%
	TOTAL	**10,020**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of FTIIPL comprised of:

Name	Designation
Mr. Prem Kishan Gupta	Director
Mrs.Mamta Gupta	Director

Financial Performance

The brief financial details of FTIIPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.00	0.00	0.00
Profit after Tax	(0.01)	(0.14)	(0.49)
Equity Share Capital	0.10	0.10	0.00
Reserves	(2.73)	(2.72)	(2.29)
Networth (excluding revaluation reserves)	(2.63)	(2.62)	(2.29)
Earning Per Share (EPS) (Rs)	(1.30)	(14.21)	(24,289.12)
Net Asset Value (NAV) per share (Rs)	(262.99)	(261.69)	(114.581.50)

5. Star Cineplex Pvt. Ltd. ('SCPL')

The company was incorporated on November 08, 1999. The company has not any started business activity as yet.

Shareholding Pattern of SCPL

The shareholding pattern of SCPL as on March 31, 2004 is as follows:

Sr. No	Name of the Shareholders	No. of shares	% of holding
1.	Mr. Prem Kishan Gupta	5,250	50%
2.	Mrs.Mamta Gupta	5,250	50%
	TOTAL	**10,500**	**100%**

Board of Directors

As on March 31, 2004, the board of directors of SCPL comprised of:

Name	Designation
Mr. Prem Kishan Gupta	Director
Mrs. Mamta Gupta	Director

Financial Performance

The brief financial details of SCPL for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	0.00	0.00	0.00
Profit after Tax	(0.01)	(0.02)	(0.01)
Equity Share Capital	0.11	0.11	0.11
Reserves	(0.12)	(0.10)	(0.09)
Networth (excluding revaluation reserves)	(0.01)	0.00	0.02
Earning Per Share (EPS) (Rs)	(1.12)	(1.61)	(1.11)
Net Asset Value (NAV) per share (Rs)	(0.91)	0.21	1.82

6. Newsprint Trading & Sales Corporation ('NTSC')

The firm was incorporated on May 21, 1984.The main business of the firm is to render commercial services to foreign manufacturers and exporters of newsprint paper.

Partners of NTSC

The partners of NTSC as on March 31, 2004 is as follows:

Sr. No	Name of Partner	% share in Profits/Losses
1.	Mr. Prem Kishan Gupta	80%
2.	Mrs.Mamta Gupta	20%
	TOTAL	**100%**

Financial Performance

The brief financial details of NTSC for the last three years are as under:

(Rs. mn)

	March 31, 2004	March 31, 2003	March 31, 2002
Total Income	56.12	36.42	44.36
Profit after Tax	19.84	12.40	13.49
Partners' Capital Account	24.91	7.20	(3.69)

REGULATORY APPROVALS

GDL has received all the necessary consents, licences, permissions and approvals from the GoI and various government agencies / private certification bodies required for its present business and no further approvals are required for carrying on the present as well as the proposed business of GDL except as stated below. It must, however, be distinctly understood that, in granting the above consents/ licences/ permissions/ approvals, the government does not take any responsibility for the financial soundness of GDL or for the correctness of any of the statements or any commitments made or opinions expressed.

The Company has received the following approvals that are material to its business:

- Approval No. FC II: 647(94)/858(94) dated November 23, 1994 from Ministry of Industry for foreign equity participation of 60% in the paid up capital of the Company.
- Approval No. FC II: 647(94)/858(94)–Amend. dated March 13, 1995 from Ministry of Industry for foreign collaboration.
- Approval No. FC II: 647(94)/858(94)–Amend. dated April 11, 1996 from Ministry of Industry for foreign collaboration.
- Approval No. FC II: 647(94)/858(94)–Amend. dated October 7, 1996 from Ministry of Industry for foreign equity participation of 70% of the paid up capital in the Company .
- Approval No. FID(II) /1965/04.01.01(G-1) /96-97 dated February 5, 1997 from RBI for issue of 5,500,000 equity shares to its foreign collaborators.
- Approval No. FID(II) /1964/04.01.01(G-1) /96-97 dated February 5, 1997 from RBI for issue of 10,275,000 equity shares to its foreign collaborators.
- Approval No. FID(II)/6191/04.02.01/G-1/97-98 dated June 16, 1998 from RBI for issue of shares/export of shares to foreign investors/collaborators.
- Approval No. FID(II) /936 /04.02.01/G-1/98-99 dated August 25, 1998 from RBI for issue of 3,556,900 equity shares to its foreign collaborators.
- Approval No. FC II: 647(94) /858(94) dated May 23, 2000 from Ministry of Commerce and Industry for foreign collaboration.
- Approval No. FC II: 647(94) /858(94)-Amend. dated August 30, 2001 from Ministry of Commerce and Industry for the allotment of shares to foreign directors and ESOPs to foreign employees.
- Acknowledgement No. FID II /2616/04.02.01/G-1/01-02 dated March 15, 2002 from RBI noting the filing of Form FC-GPR in respect of allotment of 6,300,000 and 1,400,000 equity shares to foreign investors.
- Approval No. FC II: 858(1994) /858(1994)-Amend. dated January 1, 2003 from Ministry of Commerce and Industry for foreign collaboration.

CFS, Mumbai

- Approval No. 16/ 5/96-Infra-I dated July 15, 1996 from the Ministry of Commerce for setting up a Container Freight Station at Dronagiri, Nhava Sheva, New Mumbai.
- Notification No. 01/98 dated November 20, 1998 from the Commissioner of Customs notifying the area of Gateway Distriparks Ltd. at Sector-6, Dronagiri, as a Customs Area for the purpose of storage, stuffing/destuffing and clearance of export/import goods.
- Permanent Account Number AAACG3425C issued by the Income Tax Department.
- Tax Deduction Account Number MUMV10090D issued by the Income Tax Department.
- Registration Number C.Ex/R-Uran/Warehouse/02/GDL/ ST/2002-2003 dated August 20, 2002 for payment of service tax on the service of " Storage, Warehousing and Cargo Handling" issued by the Superintendent of Central Excise and Customs.
- Bombay Sales Tax Registration Number 400702/S/266 dated March 03, 1997 issued by the Sales Tax Department, Maharashtra, under the Bombay Sales Tax Act, 1959.
- Central Sales Tax Registration Number 400702/C/38 dated March 03, 1997 issued by the Central Sales Tax Department under the Central Sales Tax (Registration and Turnover) Rules, 1957.
- Registration Number 1/3/3/3275 dated April 21, 1997 issued under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.
- Certificate of Importer Exporter Code Number 0503027057 dated August 01, 2003 issued by the Office of the Jt. Director General of Foreign Trade, Ministry of Commerce.

- Registration Number ACL/Raigad/CLA/R-14/97 dated May 14, 1997 under the Contract Labour (Regulation and Abolition) Act, 1997
- Registration Number II-3/53 dated March 21, 2000 under the Bombay Shops and Establishments Act, 1948.
- Certificate No. MH/PF/APP/44414/ENP-20NE-I/OIF/172/77 dated April 20, 2000 from the Regional Provident Fund Commissioner.
- Consent Order dated July 17, 2002 of the Maharashtra Pollution Control Board under Section 25 / 26 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Rule 5 of the Hazardous Wastes (Management & Handling) Rules, 1989 for setting up the unit at Sector 6, Dronagiri, Uran, Raigad.
- Part Occupancy certificate number EE (BP) / ATPO / 525 dated December 03, 1998 from CIDCO for warehousing building complex at Sector 6, Dronagiri, Uran, Navi Mumbai.
- Part Occupancy certificate number EE (BP) / ATPO / 290 dated June 06, 2001 from CIDCO for warehousing residential at Sector 6, Dronagiri, Uran, Navi Mumbai.
- Part Occupancy certificate number EE (BP) / ATPO / 869 dated January 08, 2003 from CIDCO for warehousing building at Sector 6, Dronagiri, Uran, Navi Mumbai.
- Part Occupancy certificate number EE (BP) / ATPO / 490 dated September 23, 2003 from CIDCO for warehousing building at Sector 6, Dronagiri, Uran, Navi Mumbai.

ICD, Garhi

- Approval No. 16/5/98-Infra-I dated May 14, 2004 from the Ministry of Commerce for setting up an Inland Container Depot at Garhi Harsaru Junction, near Gurgaon (Haryana) for handling import and export cargo.
- Certificate No. Comp./Cov./HR/GGN./26365/577/231 dated June 28, 2004 from the Regional Provident Fund Commissioner.
- Registration Number DELHI-III/ST/R-III/CHS & SWS/9/2004 dated May 05, 2004, for payment of service tax on the service of “Cargo Handling Service & Storage and Warehouse Service” issued by the Dy. Commissioner, Service Tax Division.
- Notification no. 1/2004-CUS dated July 09, 2004 from the Commissioner of Central Excise for appointment of the Company as the custodian of import and export goods at ICD Garhi, Harsaru.
- Approval no. 2004/TT – V 10/ GDL Ltd /NR/23 dated January 5, 2005 from the Railways Board, Ministry of Railways , Government of India ganting rail transport clearance for moving certain commodities from the private siding at ICD, Garhi Harsaru
- Approval No. 508-W/I/12/W-V dated February 2, 2005 from the Northen Railways sanctioning work for provision of a rialway siding at Garhi Harsaru.

Indev Warehouse and Container Services Private Limited

- Approval No. 16/ 3/95-Infra-I dated February 23, 1995 from the Ministry of Commerce for setting up a Container Freight Station at Elandancheri village, Madras.
- Notification No. 69/96 dated February 20, 1996 from the Commissioner of Customs notifying the area of Indev Warehouse and Container Services Private Limited as a Customs Area for the purpose of handling FCL import and export cargo storage.

Gateway East India Private Limited

- Approval No. 16/20/2004-Infra-I dated February 10, 2005 from the Ministry of Commerce and Industry for setting up a Container Freight Station at Vishakapatnam, for handling import and export cargo.

The Company proposes to apply for the following licenses / approvals:

ICD, Garhi

- Conversion of a portion of the Company’s land, which is classified as agricultural land, to non agricultural land .

Gateway East India Private Limited

- Certificate of Registration for Service Tax on the service of “Storage, Warehousing and Cargo Handling”.
- Certificate from the Regional Provident Fund Commissioner.
- Customs notification for the CFS.

DETAILS OF OUTSTANDING LITIGATION

Save as stated hereinunder, based on available records , there are no outstanding/pending litigations, suits, criminal/civil prosecutions, proceedings initiated for offences (including past cases, economic offences etc.) irrespective of whether specified in paragraph (1) of part 1 of Schedule XIII of the Companies Act and litigations for tax liabilities against the Company, its subsidiaries, the Promoters and group companies and its Directors and there are no defaults/non payments/overdues of statutory payments , institutional/bank dues and dues towards holders of debentures, bonds and fixed deposits and arrears of preference shares etc, other than unclaimed liabilities of the Company, the Promoter companies and other group companies.

Against the Company

There are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against the Company, and there are no defaults, non-payment of statutory dues, overdues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debentures, bonds or fixed deposits, and arrears on preference shares issued by the Company specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act that would result in a material adverse effect on the consolidated business taken as a whole.

By the Company

Except as described below, there are no outstanding litigation, suits or criminal prosecutions or proceedings initiated by the Company:

i) Tax proceedings

Sl. No	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	CIT (A) XII/ AC 3(1)/IT–7/00-01	June 8, 2004	Gateway Distriparks Limited	Commissioner of Income Tax	Income Tax Appellate Tribunal	Rs. 2,445,588	Gateway Distriparks Limited had borrowed a term loan from certain banks amounting to Rs. 218,311,986 and cash credit of Rs. 1,459,995 on which an interest of Rs. 28,546,530 has been paid. However, The Company also made certain short-term deposits with DBS Bank and earned interest of Rs. 2,445,881 during the said assessment year 1998-99. On scrutiny, the Assistant Commissioner of Income Tax passed an assessment order including the interest component as part of the income of Gateway Distriparks (despite Gateway Distriparks not having commenced business). Gateway Distriparks appealed against this decision to the Commissioner of Income Tax (Appeals) which was dismissed. Gateway Distriparks has filed an appeal before the Income Tax Appellate Tribunal, which is still pending.

ii) Labour Dispute

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	WC Case No. 118/ 2004	-	1.Smt. Kanti Rana 2. Trilochan Rana 3. Surendra Rana	Gateway Distriparks Limited	Assistant Labour Commissioner-cum-Commissioner for Workmen's Compensation, Bhubaneswar	Rs. 0.35 million	A suit has been filed before the Assistant Labour Commissioner- cum - Commissioner for Workmen's Compensation, Bhubaneswar by the surviving relatives and heirs of Mr. Jalandhar Rana (the "deceased") an employee, employed with the Company. The deceased was employed at the construction site of the Company when he died due to electrocution. The petitioners allege that since the deceased met with his death during the course of his employment at the work site of the Company, his surviving family are entitled to compensation from the Company and taking into account the salary received by the employee and the overtime benefits that he enjoyed they are entitled to a compensation of Rs. 0.35 million, with simple interest @ 12% per annum. The Company has filed its written statement before the court on February 11, 2005 and the matter is pending.

Subsidiaries of the Company

Except as described below, there are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities by or against the subsidiaries of the Company, and there are no defaults, non-payment of statutory dues, overdues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debentures, bonds or fixed deposits, and arrears on preference shares issued by subsidiaries of the Company specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act that would result in a material adverse effect on the consolidated business taken as a whole.

Indev Warehouse and Container Services Private Limited

i) Civil Proceedings

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	WP No. 10969 of 2004	April 16, 2004	Krishna Creations	Commissioner of Customs, Jt. Commissioner of Customs, Murray & Co. and Indev Warehouse and Container Services Private Limited	High Court of Judicature, Chennai	162,000/-	The writ petition has been filed by Krishna Creations for refund of the Earnest Money Deposit deposited by the petitioner in the auction sale in respect of certain containers by the Murray & Co. on behalf of the customs in the premises of Indev Warehousing and Container Services.

ii) Labour Proceedings

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	I.D. No. 913 of 2001	June 18, 2001	M. Nithyanandam	Indev Warehouse and Container Services Private Limited	Principal Labour Court, Chennai	Rs. 220,000	A suit under the Industrial Disputes Act, 1947 has been filed by Mr. Nityanandam against Indev Warehousing and Container Services Private Limited for termination of his services. Mr. Nityanandam has claimed the reliefs of re-instatement and payment of back wages. The matter is pending.

iii) Tax Proceedings

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	Appeal No. 94 / 2002	5th July 2002	Indev Warehouse and Contianer Services Private Limited	Commercial Tax Department, State of Tamil Nadu	Appellate Assistant Commissioner (C.T. II) Chennai.	44,045/-	Indev Warehouse and Container Services Private Limited did not obtain a sales tax registration under the Tamil Nadu General Sales Tax Act, 1959. The Deputy Commissioner had imposed a penalty of Rs. 44,045/- vide order no. 106 of 2000-2001 on the Company for the delay in obtaining the requisite registration. The matter is currently pending before the Appellate Assistant Commissioner (C.T. II), Chennai.

Against the Directors

There are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against the Directors of the Company except as follows:

Mr. Gopinath Pillai

i) Criminal Proceedings

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	CC No. 970 of 1999	September 27, 1999	B.T. Compu Graphics Pvt. Ltd.,	Mr MY Yeow, Informatics Holdings Ltd, Mr Manmohan Anand, Avinash S Misar, Mr Sunish Anand, Krislon System Sciences	District Magistrate's Court, New Delhi	-	A criminal complaint under sections 417, 420 and 34 of the Indian Penal Code, 1860 had been filed against Edutech Informatics (I) Pvt. Limited and its chairman Mr. Gopinath Pillai and other office bearers, M/s. Krislon Systems Sciences Pvt. Ltd and its office bearers and Informatics Holdings Ltd and its office bearers by BT Compu Graphics Pvt. Ltd. BT Computers Graphics

				Pvt. Ltd, Edutech Informatics (I) Private Limited, Mr Gopinath Pillai, Mr PK Tripathi, Mr Nitin Jain			Pvt. Ltd. ("BT Computers") became a sub-franchisee of M/s Krislon Systems Sciences Pvt. Ltd. ("Krislon") in 1996, which had the Master Franchise in India for Informatics Holdings Ltd., a Singapore company, for providing training in software development. In 1998 Edutech Informatics India Pvt. Ltd. ("Edutech") of which Mr. Pillai was the Chairman took over the Master Franchise from Krislon. Almost all the sub-franchisees of Krislon became sub- franchisees of Edutech by signing a supplementary Agreement with Edutech without payment of any fee. In early 1999 BT Computers also became a sub franchisee without payment of any fee. BT Computers did not adhere to the conditions of the franchise. After giving several warnings the sub-franchise given to BT Computers was terminated by Edutech. BT Computers filed a petition in the District Magistrate's Court in New Delhi against Krislon and its officers and also included Edutech and some of its Directors, including Mr. Pillai. Edutech has filed a petition in the Delhi High Court for quashing the proceedings in the lower court. Mr. Pillai is no longer a Director of this company.

Mr. M. P. Pinto

The CBI has filed a chargesheet under Section 13 of the Prevention of Corruption Act, 1988, read with Sections 120 and 420 of the Indian Penal Code, 1860, against various officials of the Jawaharlal Nehru Port Trust (JNPT), including Mr. M.P. Pinto. Mr. M.P. Pinto, retired as a serving IAS officer at the level of Secretary to the Government, and at the time of the commission of alleged offences, was on deputation to JNPT as its Chairman.

The chargesheet relates to the award of a transport contract for operating tractor-trailers within the JNPT. The Board of Trustees of the JNPT had awarded the contract pursuant to a resolution during Mr. Pinto's tenure as Chairman. The CBI alleges that the tender conditions were made more stringent to suit a particular party, that the initial proposal for tender terms were not approved by the Board, that there were only two bidders, that there were common directors / partners in the two bidders and that the tender ought to have been cancelled, since finally there was only one bid. It is further alleged that the tender price was in excess of the price being paid by other ports for similar contracts, that it was far in excess of the estimate and that, therefore, wrongful loss has been caused to JNPT.

Mr. Pinto has filed an application before the Special Judge for discharge.

In the event that Mr. M P Pinto is convicted of the said offences, as a result of which he stands disqualified under section 283 (1)(e) of the Companies Act, he will be required to vacate his office of independent Director of the Company.

Promoters

There are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities by or against the Promoters of the Company except as follows:

Mr. Prem Kishan Gupta

The CBI filed a chargesheet in the court of the Metropolitan Magistrate, New Delhi, alleging fraud and criminal conspiracy. The chargesheet alleges that one Mr. Muneshwar Singh entered into a criminal conspiracy with other accused persons including Mr. P. K. Gupta and in pursuance of the criminal conspiracy procured Entitlement Certificates for the import of newsprint from the office of Registrar of Newspapers for India (RNI), New Delhi on the basis of forged documents. The chargesheet further alleges that thereafter, Mr. Muneshwar Singh along with various agents including Mr. P. K. Gupta, imported the newsprint at Bombay and Visakhapatnam ports and got the newsprint cleared and subsequently either disposed off the same locally in Bombay or diverted the same to different places like Calcutta, Delhi, Jaipur, Biwandi, Nagpur and Ajmer instead of transporting the newsprint to the place of publications. It is also alleged that as a result of these actions of all the accused, the Government of India was cheated to the tune of Rs. 37,279,967/-.

The specific charges against Mr. Gupta are for commission of offences under section 120 B of the Indian Penal Code ("IPC") read with sections 420,468,471 of the IPC and for substantive offences under sections 420,468,471 of the IPC.

In the event that Mr. P K Gupta is convicted of the above offences, as a result of which he stands disqualified under section 267 (c) of the Companies Act, he will be required to vacate his office as Managing Director of the Company. This may temporarily affect the operations of the Company.

Group companies

Except as described below, there are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities by or against the group companies of Gateways Distriparks Limited and there are no defaults, non-payment of statutory dues, overdues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debentures, bonds or fixed deposits, and arrears on preference shares issued by subsidiaries of the group companies specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act that would result in a material adverse effect on the consolidated business taken as a whole.

Thakral Investments Holdings (Mauritius) Limited (TIHML)

In March 2000, TIHML acquired 22,00,000 shares amounting to 49.74 % of the voting share capital of Primeast Investments Ltd. (**"Primeast"**), an Indian company. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, (the **"Takeover**

Regulations") stipulated that a company acquiring another shall, at least 4 days in advance of such proposed date of acquisition, inform the stock exchange on which the target company's shares are listed about the proposed acquisition. Further, there was a requirement on the part of the acquiring company to furnish a report to SEBI, along with supporting documents giving requisite details in respect of the acquisition, within 21 days from the date of such acquisition. TIHML failed to inform the relevant stock exchanges (the Bombay Stock Exchange and the Bangalore Stock Exchange), prior to the acquisition of the shares of Primeast. Further, TIHML failed to submit the report along with the attendant documents giving requisite details of the acquisition to SEBI within 21 days of the acquisition.

TIHML complied with both the prior information requirement under regulation 3(3) of the Takeover Regulations and the submission of the report on the acquisition under regulation 3(4) of the Takeover Regulations after a period of 8 months of the acquisition. SEBI held that, although there was no malafide intention on the part of TIHML, there was a violation of the provisions of the Takeover Regulations and imposed a penalty of Rs. 75,000 on TIHML.

Anbest Electronics Limited

i) Civil Proceedings

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	HCCL 82/ 2000	September 5, 2000	Anbest Electronic Ltd	CGU International Insurance plc (formerly General Accident Insurance Asia Ltd.)	High Court, Hong Kong	US$284,142 alongwith cost and interest	Habib Bank, Dubai, the bankers of the company unauthorisedly released a bill of lading to First Star Electronics Ltd., Dubai, without receipt of payment from First Star Electronics Ltd. or authorization from the company. The company has filed a claim against CGU International Insurance plc in relation to the loss of the insured electronics consumer goods by this unauthorized act of Habib Bank.

Newsprint Trading and Sales Corporation

i) Civil Proceedings:

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	Summary Suit No. 3227/2003	October 15, 2003	NTSC	1.Jai Hind Co-operative Bank Ltd. and 2. Business India Private Limited	High Court of Judicature at Mumbai.	Rs. 3,958,727 and interest on Rs. 2,516,217 @ 18% p.a.	NTSC had sold and delivered light weight coated papers to Business India Pvt. Ltd. against irrevocable letters of credit issued by Jai Hind Co-operative Bank Ltd. NTSC raised invoices in respect of the said supply. Despite NTSC having complied with all the conditions mentioned in the letters of credit and providing all the relevant documents, Jai Hind Co-operative Bank has not paid the amounts due to NTSC. NTSC approached the RBI and brought the issue to its notice. The RBI advised Jai Hind Co-operative Bank Pvt. Ltd. to make the payments to NTSC. Jai Hind Co-operative Bank Pvt. Ltd. had paid a sum of Rs. 2,516,217/-. Despite repeated reminders, it has not paid the balance monies. NTSC has filed a summary suit against Jai Hind Co-operative Bank Pvt. Ltd. and Business India Private Limited for recovery of a sum of Rs. Rs. 3,958,727 and further interest on the sum of Rs. 2,516,217 @ 18% p.a.

ii) Criminal Proceedings:

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	1096/S/ 2003	March 7, 2000	NTSC	M/s Andhra Prabha Pvt. Ltd., Mr. Manojkumar Sonthalia, Ms. Kalpana Sonthalia, Ms. Radhadevi Sonthalia	15th, Metropolitan Magistrate, Mazgaon, Mumbai	Rs. 59,500,000 along with interest at 24% p.a.	NTSC has initiated proceedings against M/s. Andhra Prabha Pvt. Ltd. for dishonour of cheques under section 138 of the Negotiable Instruments Act, 1881. NTSC had extended loans to the accused aggregating to Rs. 62,500,000. The said loan was repayable within 6 months. The accused issued 4 cheques aggregating Rs 59,500,000 which were dishonoured. The matter is currently pending.
2.	1011/S/ 2003	March 7, 2000	NTSC	M/s Express Publications (Madurai) Ltd., Chennai, Mr. Manojkumar Sonthalia, Ms. Kalpana Sonthalia, Ms. Radhadevi Sonthalia	15th, Metropolitan Magistrate, Mazgaon, Mumbai	Rs. 23,000,000	NTSC has initiated proceedings against M/s. Express Publications (Madurai) Ltd. for dishonour of cheques under section 138 of the Negotiable Instruments Act, 1881. The accused had placed orders on NTSC for supply of newsprint which was supplied by NTSC to the accused. The accused issued a cheque of Rs. 23,000,000 to NTSC which was dishonoured. The matter is currently pending.

Fortune Technologies Investment India Pvt. Ltd. (FTIIPL)

i) Civil proceedings:

Sl. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant / Plaintiff	Respondent / Defendant	Name & Address of Court / Arbitration Panel	Amount under consideration	Nature of case
1.	326 of 2001.	February 27, 2001	FTIIPL	Reuters India Ltd.	High Court of Judicature at Bombay	Rs. 1,967,400,000	FTIIPL was to set up an electronic portal site for stock brokers and other members of Association of NSE Members of India (ANMI). The company engaged the services of Reuters to set up a financial information site, pursuant to which a mutual non-disclosure agreement was entered into between Price and Pierce Asia Pacific Pte. Ltd. (one of the promoters of FTIIPL) and Reuters. Reuters which had completed the scooping study at the expense of the company, proceeded to approach the ANMI directly and used the same scooping study completed at the company's expense thereby breaching the non-disclosure agreement. The company filed a suit for Rs. 1,967,400,000 as damages and loss of profit. The High Court has granted interim relief in the form of an interim injunction, restraining Reuters from using the scooping study. The suit is still pending.

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors, save as disclosed in the Prospectus, there has not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of the Company and its subsidiaries taken as a whole or the value of their consolidated assets or their ability to pay their material liabilities within the next twelve months.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders, at their discretion and will depend on a number of factors including, but not limited to the earnings, capital requirements and overall financial condition.

The dividends paid by the Company during the last five fiscal years are presented below:

Class of shares	Face Value	Year ended March 31, 2000	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004
Equity Shares	10	-	-	-	-	-
- Interim		Nil	-	-	7.5%	20%
- Final		Nil	3%	5%	2.5%	-
Total			**3%**	**5%**	**10%**	**20%**

On January 15, 2003, an issue of 16,000,000 Equity Shares was approved by the Company to the shareholders by way of bonus in the ratio of 1 Equity share for every 3 equity shares held through capitalisation of profits and reserves.

The amount paid as dividend or bonus in the past is not indicative of the Company's dividend policy.

BASIS FOR OFFER PRICE

The Offer Price will be determined by the Company in consultation with the BRLMs on the basis of assessment of market demand for Equity Shares offered by way of Book Building.

Investors should read the following summary with the Risk Factors included from page number i to x and the details about the Company and its financial statements included in this Prospectus. The trading price of the equity shares of the Company could decline due to these risks and you may lose all or part of your investment(s).

Qualitative Factors

Factors external to the Company

1. Renewed focus of the Government of India with the new long term Foreign Trade Policy (2004-2009) with the objective of doubling India's share of global merchandise trade within the next five years.

Factors internal to the Company

Strategic Locations: To enable, attract and retain its customers it is imperative that GDL address the container traffic emanating not only from key gateway ports of India with considerable container handling capacity but also address the requirements of hinterlands located deeper in the country. In India, the key container terminals of JNPT at Navi Mumbai and Chennai cater to around 67% of total container traffic in India. Further, the industrial belts of northern hinterlands of Delhi, Haryana, Punjab and Rajasthan can be catered to by GDL's ICD at Garhi Harsaru. Garhi Harsaru located at a distance of 40 kms west of Delhi is a well connected location with strong multi-modal land access infrastructure connecting to multiple gateway ports on both east & west coast of India. Thus, GDL with its pan- India presence at Navi Mumbai, Chennai, Vizag and Delhi and en-route access to Western Gateway ports of Kandla, Pipavav and Mundra can effectively address the requirements of import/export bound container cargo from various strategic locations.

Strong Customer Relations: Since inception, GDL has laid great emphasis on developing an approach of partnering with its clients as against being a pure third party service provider. Most of the large customers of GDL have stayed with the company since inception and have progressively improved the quantum of business with GDL. In its endeavor to make the clientele more broad based, GDL has consistently added more customers to its list. While the quantum of business from its large customers has shown a healthy trend, the total contribution of any single customer has reduced progressively thereby reducing the dependence on a few customers as outlined in page 60 of this Prospectus.

Strong Financial Position: GDL has consistently grown since commencing operations in 1999. The consistent growth in financial numbers and key ratios indicate strong financial position. GDL's shareholders include institutional investors IDFC and Aranda (100% subsidiary of Temasek Holdings, Singapore)

Experienced Professional Management Team: GDL has a qualified management team with several years of relevant experience in their domain of expertise. The management team is ably supported by a well constituted Board of Directors which provide the overall direction to the company.

Strong focus on systems and processes: GDL has implemented Warehousing Operations and Planning Systems (WOPS), a software that helps in capturing and tracking of movement of all cargo and containers at its facility. The entire facility at Navi Mumbai is linked using a fibre optic backbone. The entire network runs on 100% UPS backup.GDL is connected to the customs house both through wireless and leased lines.

Quantitative Factors

1. **Earning Per Share (EPS)** (as adjusted for changes in capital)

Year	EPS (Rs.)	Weight
2001-2002	1.84	1
2002-2003	2.14	2
2003-2004	2.99	3
Weighted Average	**2.52**	

Note:

The Earnings per Share has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/prior period items pertaining to earlier years.

The denominator considered for the purpose of calculating Earnings per Share is the weighted average number of Equity Shares outstanding during the year.

Price/Earning Ratio (P/E) in relation to Offer Price of Rs. 72

Based on FY 2004, adjusted EPS of Rs. 2.99 on equity share of face value of Rs. 10 each - 24.10

Average Return on Net Worth

Year	RONW %	Weight
2001-2002	10.94%	1
2002-2003	19.58%	2
2003-2004	23.55%	3
Weighted Average	**20.13%**	

Note:

The average return on net worth has been computed on the basis of adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/regroupings pertaining to earlier years.

Minimum Return on Increased Net Worth to maintain pre-Offer EPS - 13.98%

Net Asset Value (NAV) per share as per the Balance Sheet for the year ended March 31, 2004- Rs. 12.69

Note:

Net Asset Value Per Share represents Shareholder's Equity as per restated financial statements less miscellaneous expenditure as divided by number of equity shares outstanding at the end of the period.

As there are no other listed companies engaged solely in similar business, no industrycomparison, including ratios, can be worked out.

The Offer Price of Rs. 72 has been determined by the Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above factors.

AUDITORS' REPORT

To
The Board of Directors
Gateway Distriparks Limited
Sector 6, Dronagiri
Taluka – Uran
District Raigad
Navi Mumbai – 400 707

Dear Sirs,

We have examined the Financial Information of Gateway Distriparks Limited ('the Company') for the five financial years ended March 31, 2004 and for the period April 1, 2004 to November 30, 2004 as attached to this report, stamped and initialed by us for identification and as approved by the Board of Directors/ Members of the Company, which has been prepared in accordance with –

- Paragraph B(1) of Part – II of Schedule II of the Companies Act, 1956, of India ('the Act') and amendments thereof;
- Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ('the Guidelines') issued by the Securities and Exchange Board of India (SEBI) on January 19, 2000 and the amendments from time to time thereto, to the extent applicable;
- The instructions dated May 27, 2004 received from the Company, requesting us to carry out the assignment in connection with the Red Herring Prospectus and Prospectus being issued by the Company for the initial public offering of Equity Shares.

A. Financial Information of:

The Company

We have examined the attached restated Summary of Assets and Liabilities (Annexure I) of the Company as at March 31, 2000, 2001, 2002, 2003 and 2004 and November 30, 2004 and the related Summary of Profit and Loss Account (Annexure II) for each of the years/ period ended on those dates, together referred to as 'Summary Statements' read with adjustments which have been carried out for the purpose of Red Herring Prospectus and Prospectus as set out in Annexure III and Notes to Summary Statements as set out in Annexure V.

The Summary Statements for the years ended March 31, 2000, 2001, 2002, 2003, 2004 and for the period ended November 30, 2004 have been extracted from the financial statements audited by other auditors (Price Waterhouse & Co.) for the years ended March 31, 2000 and 2001 and audited by us for the years ended March 31, 2002, 2003 and 2004 and for the period ended November 30, 2004. These Summary Statements have been approved by the Board of Directors. The summary statements for the year ended March 31, 2000, 2001, 2002, 2003 and 2004 have been approved by the members at the respective Annual General Meetings of the Company.

Based on our examination of these Summary Statements we confirm that:

a. The Summary Statements of the Company have been restated with retrospective effect to reflect the significant accounting policies (as disclosed in Annexure IV to this report) as adopted by the Company as at March 31, 2004.

b. The material adjustments, qualifications in the auditors' reports relating to relevant previous years have been made in the Summary Statements.

The adjusted financial statements do not take into account or make any adjustments for the events subsequent to audit report dated February 11, 2005, June 16, 2004, September 3, 2003, August 27, 2002, September 5, 2001 and August 4, 2000 on the financial statement for the period ended November 30, 2004 and on the financial statements for the financial years ended March 31, 2004, 2003, 2002, 2001 and 2000, respectively.

The Management has represented us that there were no transactions of Sale, Purchase, Income and Expenditure of the Company entered with Promoters and Promoters Group. Loans and advances to Promoters and Promoters Group disclosed in Annexure XII are as certified by the Company.

B. Dividends:

We have examined the Statement of Dividend paid/ proposed by the Company on equity shares in respect of the financial years ended March 31, 2000, 2001, 2002, 2003, 2004 and period ended November 30, 2004 as disclosed in Annexure VI. We confirm that the Company has no other class of issued and paid-up shares during those years.

C. Other Financial Information:

We have examined the following financial information relating to the Company, proposed to be included in the Red Herring Prospectus and Prospectus, as approved by the Board of Directors of the Company and attached to this report:

i. Capitalisation Statement as at November 30, 2004 of the Company, enclosed as Annexure VII.

ii. Summary of accounting ratios based on the adjusted profits relating to earnings per share, net asset value, operating margin, return on net worth and return on capital employed, enclosed as Annexure VIII.

iii. Statement of Secured Loans and assets charged as securities, enclosed as Annexure IX.

iv. Statement of Unsecured Loans enclosed as Annexure X.

v. Details of Sundry Debtors, enclosed as Annexure XI.

vi. Statement of Loans and Advances, enclosed as Annexure XII.

vii. Details of items of Other Income, enclosed as Annexure XIII.

viii. Tax Shelter Statement, enclosed as Annexure XIV.

ix. Statement of Commitments and Contingent Liabilities, enclosed as Annexure XV.

In our opinion, the financial information of the Company as mentioned in paragraphs A. to C. above, read with the significant accounting policies after making regrouping/ adjustments, have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

This report is intended solely for your information and for inclusion in the Red Herring Prospectus and Prospectus being issued by the Company for initial public offering of Equity and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours truly,

Partha Ghosh
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants.

Mumbai, February 11, 2005

ANNEXURE I

SUMMARY OF ASSETS AND LIABILITIES AS RESTATED

The accompanying statement of Significant Accounting Policies (Annexure IV) and Notes to Summary Statements (Annexure V) is an integral part of this statement.

Rs. in Million

	Particulars	As at 30.11.2004	As at 31.03.2004	As at 31.03.2003	As at 31.03.2002	As at 31.03.2001	As at 31.03.2000
A.	**Fixed Assets**						
	Gross Block	1,631.67	1,221.67	1,132.21	973.14	600.21	593.87
	Less: Depreciation	191.49	150.48	110.77	78.24	48.58	29.81
	Net Block	1,440.18	1,071.19	1,021.44	894.90	551.63	564.06
	Capital Work-in Progress	28.01	21.70	11.38	69.53	231.11	149.86
	Incidental Expenditure Pending Capitalisation / Allocation	-	2.24	-	-	33.83	11.61
		1,468.19	1,095.13	1,032.82	964.43	816.57	725.53
B.	**Investments**	15.00	-	-	-	-	-
C.	**Current Assets, Loans and Advances**						
	Sundry Debtors	66.79	53.38	31.21	16.76	9.67	12.93
	Cash and Bank Balances	32.96	62.10	67.51	21.86	8.94	8.09
	Other Current Assets	25.26	11.47	14.86	12.71	4.19	4.49
	Loans and Advances	73.46	51.75	33.08	13.58	10.49	7.19
		198.47	178.70	146.66	64.91	33.29	32.70
	Total Assets (A+B+C)	**1,681.66**	**1,273.83**	**1,179.48**	**1,029.34**	**849.86**	**758.23**
D.	**Liabilities and Provisions**						
	Secured Loans	435.09	190.66	195.12	212.99	410.69	408.00
	Unsecured Loans	30.00	-	-	-	-	-
	Current Liabilities	86.90	83.27	63.02	60.50	43.42	32.88
	Provision for Gratuity, Leave Encashment and Contingencies	2.24	1.45	1.26	13.64	0.29	0.25
	Provision for Taxation	59.61	43.71	26.51	13.43	5.74	1.56
	Provision for Wealth Tax	0.04	0.03	0.03	-	-	-
	Proposed Interim Dividend	-	64.00	48.00	-	-	-
	Proposed Final Dividend	-	-	16.00	-	10.80	-
	Tax on Proposed Dividend	-	8.20	8.20	-	1.10	-
		613.88	391.32	358.14	300.56	472.04	442.69

Rs. in Million

	Particulars	As at 30.11.2004	As at 31.03.2004	As at 31.03.2003	As at 31.03.2002	As at 31.03.2001	As at 31.03.2000
E.	**Deferred Tax Liability (Net)**	89.37	70.07	55.80	40.90	18.12	5.78
F.	**Adjusted Net Worth (A+B+C-D-E)**	**978.41**	**812.44**	**765.54**	**687.88**	**359.70**	**309.76**
	Represented by						
G.	**Share Capital**						
	Equity Share Capital	640.00	640.00	640.00	480.00	360.00	270.00
	Share Application Money	-	-	-	-	-	60.00
H.	**Reserves and Surplus**						
	Profit/ (Loss) brought forward from Profit and Loss Account	318.91	152.94	125.54	49.88	1.09	(17.01)
	General Reserve	19.50	19.50	-	-	-	-
	Share Premium	-	-	-	158.00	-	-
	Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	-	-	-	-	(1.39)	(3.23)
	Adjusted Net Worth	**978.41**	**812.44**	**765.54**	**687.88**	**359.70**	**309.76**

ANNEXURE II

SUMMARY OF PROFIT AND LOSS ACCOUNT AS RESTATED

The accompanying statement of Significant Accounting Policies (Annexure IV) and Notes to Summary Statements (Annexure V) is an integral part of this statement.

Rs. in Million

Particulars	01-04-2004 to 30.11.2004	01-04-2003 to 31.03.2004	01-04-2002 to 31.03.2003	01-04-2001 to 31.03.2002	01-04-2000 to 31.03.2001	01-04-1999 to 31.03.2000
Income						
From Operations	522.49	591.53	456.99	380.12	213.99	137.08
Other Income	4.33	6.05	4.04	11.48	2.46	3.23
Total Income	**526.82**	**597.58**	**461.03**	**391.60**	**216.45**	**140.31**
Expenses						
Staff Cost (A)	19.80	20.70	17.84	11.75	10.07	7.06
Operating Cost						
Transportation	97.26	127.73	81.55	70.32	43.94	26.94
Labour Charges	27.73	36.54	25.12	21.64	13.78	8.83
Purchase of Pallets	16.83	24.76	10.82	7.97	0.31	-
Auction Expenses	15.05	21.87	29.84	14.09	0.53	-
Sub-Contracting Charges	14.54	8.61	5.71	3.37	1.96	0.92
Electricity	7.14	10.78	12.03	7.12	5.88	4.37
Other Operating Expenses	13.95	15.38	9.86	8.16	5.30	3.07
Sub-Total (B)	192.50	245.67	174.93	132.67	71.70	44.13
Repairs and Maintenance	5.77	9.59	8.36	6.50	3.71	1.36
Custom Staff Expenses	5.29	4.89	3.15	3.47	2.56	2.97
Other Administrative Expenses	36.09	37.16	31.23	30.94	19.15	12.05
Interest/ Finance Charges	24.89	17.00	28.10	54.84	41.66	48.33
Depreciation	41.29	39.77	32.53	29.79	18.77	18.27
Miscellaneous Expenditure written off	-	-	-	1.39	1.85	1.85
Sub-Total (C)	113.33	108.41	103.37	126.93	87.70	84.83
Total Expenses (A) + (B) + (C)	**325.63**	**374.78**	**296.14**	**271.35**	**169.47**	**136.02**
Net Profit/ (Loss) before Provision for Tax and Exceptional Items	**201.19**	**222.80**	**164.89**	**120.25**	**46.98**	**4.29**
Less: Exceptional Items [Income/ (Expense)]	-	-	13.00	(13.00)	-	-
Net Profit/ (Loss) before Provision for Tax	**201.19**	**222.80**	**177.89**	**107.25**	**46.98**	**4.29**

Rs. in Million

Particulars	01-04-2004 to 30.11.2004	01-04-2003 to 31.03.2004	01-04-2002 to 31.03.2003	01-04-2001 to 31.03.2002	01-04-2000 to 31.03.2001	01-04-1999 to 31.03.2000
Provision for Tax						
- Current Tax	15.90	17.20	13.10	9.23	5.53	0.13
- Wealth Tax	0.03	0.03	0.03	-	-	-
- Deferred Tax (Net)	19.29	14.27	14.90	-	-	-
Net Profit/ (Loss) after Tax	**165.97**	**191.30**	**149.86**	**98.02**	**41.45**	**4.16**
Less: Adjustments (Net) (Refer Annexure III)	**-**	**-**	**-**	22.78	11.45	5.32
Adjusted Net Profit/ (Loss) After Tax	**165.97**	**191.30**	**149.86**	**75.24**	**30.00**	**(1.16)**
Balance of Profit/ (Loss) brought forward	152.94	125.54	49.88	1.09	(17.01)	(15.85)
Profit/ (Loss) Available for Appropriation	**318.91**	**316.84**	**199.74**	**76.33**	**12.99**	**(17.01)**
APPROPRIATIONS						
Transfer to General Reserve	-	19.50	-	-	-	-
Dividend	-	128.00	64.00	24.00	10.80	-
Dividend Tax	-	16.40	8.20	2.45	1.10	-
Utilised for issue of Bonus Shares	-	-	2.00	-	-	-
Surplus/ (Deficit) carried to Balance Sheet	**318.91**	**152.94**	**125.54**	**49.88**	**1.09**	**(17.01)**

ANNEXURE III

ADJUSTMENTS TO THE 'SUMMARY STATEMENTS'

Rs. in Million

Particulars	01-04-2004 to 30.11.2004	01-04-2003 to 31.03.2004	01-04-2002 to 31.03.2003	01-04-2001 to 31.03.2002	01-04-2000 to 31.03.2001	01-04-1999 to 31.03.2000
Net Profit after tax as per Summary of Profit and Loss Account Restated	165.97	191.30	149.86	98.0	41.45	4.16
Adjustment on account of:						
a. Deferred Tax (Net) as per Accounting Standard – 22 'Accounting for Taxes on Income' (Refer Note 1 below)	-	-	-	(22.78)	(12.34)	(5.78)
b. Managerial Remuneration paid in excess of Schedule XIII limits	-	-	-	-	(0.46)	0.46
c. Provision of Income-tax on interest earned on bank deposits now adjusted in earlier financial year (Refer Note 2 Below)	-	-	-	-	1.35	
Total	**-**	**-**	**-**	**(22.78)**	**(11.45)**	**(5.32)**
Adjusted Net Profit/ (Loss) After Tax	**165.97**	**191.30**	**149.86**	**75.24**	**30.00**	**(1.16)**

Notes:

1. The Company has accounted for deferred tax for earlier years in order to comply with provisions of mandatory Accounting Standard - 22 'Accounting for Taxes on Income', issued by the Institute of Chartered Accountants of India.
2. In the financial year 2000 - 2001, provision of income-tax of Rs. 1.35 million made towards interest earned on bank deposits for the year ended March 31, 1998 has now been adjusted in the balance of loss brought forward from the Profit and Loss Account of the financial year 1999 – 2000.

ANNEXURE IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

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

2. Fixed Assets and Depreciation/ Amortisation:

(a) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation/ amortisation. The Company capitalises all costs relating to the acquisition, installation and construction of fixed assets, including interest on borrowed funds used to finance the construction and acquisition of fixed assets, up to the date when the assets are ready for commercial use.

(b) Depreciation on additions/ deletions to fixed assets is calculated on pro-rata basis from the month of such additions/ deletions. The Company provides depreciation on straight-line basis method at the rates specified under Schedule XIV (revised) to the Act, except for leasehold land, which is being amortised over the lease period and for two Reach Stackers (included in Yard Equipments), to be transferred to maintenance operator, are being depreciated over a period of 7 years.

(c) Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition/ construction.

3. Incidental Expenditure Pending Capitalisation:

Incidental and Pre-operative Expenditure Pending Capitalisation/ Allocation represent expenses incurred prior to commencement of the operations at the Inland Container Depot (ICD) of the Company at Garhi, Harsaru. These expenses have been allocated to the cost of the fixed assets on commencement of operations at ICD.

4. Borrowing Cost:

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

5. Investments

Investments are valued at cost.

6. Foreign Currency Transactions:

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

7. Retirement Benefits:

The Company provides for Gratuity and Leave Encashment entitlements in accordance with the policies of the Company and actuarial valuation carried out by an independent actuary as at the Balance Sheet date.

8. Revenue Recognition:

a. Income from Container Storage, Handling and Repair and Service Charges is recognised on delivery of the container/ cargo. Income from Ground Rent is recognised for the period the container is lying in the Container Freight Station. However, in case of long standing containers, the Income from Ground Rent is accrued for a maximum of 60 days on a consistent basis as per the prevailing business practice.

b. Revenue and expenses for Auction Sales are recognised when auction is finalised and necessary approvals from appropriate authorities are obtained. Surplus, out of auctions, if any after meeting all expenses and the actual ground rent is credited to a separate account 'Auction Surplus' and is shown under the head 'Current Liabilities and Provisions'.

Unclaimed Auction Surplus, if any, in excess of one year is written back as 'Income' in the following financial year.

9. Deferred Taxation

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

ANNEXURE V

NOTES TO SUMMARY STATEMENTS

1. Changes in Accounting Policies

There have not been any changes in the accounting policies for the financial years/ period under report. Further, there are no qualifications, which are pending adjustment, for the financial years/ period under report by the auditors.

2. Notes to Accounts

a. Financial Year 1999 – 2000

Provision for Taxation of Rs. 0.10 Million represents payments under Minimum Alternate Tax (MAT) pursuant to Section 115 JA of the Income Tax Act, 1961, of India ("Income Tax Act") which is available for set-off against liabilities of future periods, if those tax liabilities are determined under the regular income tax assessment rules.

Non-provision of income tax (including interest thereon) of Rs. 1,354,045 on interest earned on bank deposits during the financial year ended March 31, 1998.

Payment of remuneration to a director of Rs. 1,512,000 for the year ended March 31, 2000 for which the necessary approval from the shareholders and Central Government of India is being sought.

b. Financial Year 2000 – 2001

Provision for Taxation of Rs. 5.53 Million (Previous Year Rs. 0.13 Million) includes Rs. 4.1 Million (Previous Year Rs. 0.10 Million) representing payments under Minimum Alternate Tax (MAT) pursuant to Section 115 JB of the Income Tax Act, 1961.

Liability for Gratuity and Leave Encashment is determined as per actuarial valuation from 2000-2001. Liability for Leave encashment is provided on an accrual basis, based on unavailed leave balances at the year end in 1999-2000. The impact of the change in the method is not material.

c. Financial Year 2002 – 2003

i. Employee Stock Option Plan, 2001 (ESOP):

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on August 28, 2001, the Company had introduced ESOP for its directors and employees. The Employee Stock Option Committee formed for the implementation of the plan, at its meeting held on September 28, 2002, granted share warrants entitling options for 568,000 Equity Shares to the eligible directors and employees of the Company at par. The options have a vesting period of 2 years from December 2, 2002 to December 1, 2004.

Of these, options for 8,000 equity shares have lapsed on termination of employment of employees and options for 560,000 equity shares at Rs. 10 per equity shares were outstanding as on March 31, 2003 under the 2001 Plan. The rights under the options would be exercisable between December 2, 2004 and December 2, 2007 at a price of Rs. 10 per share (at par value) which would be deposited at the time of exercise of the options by the director and employees of the Company.

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

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

d. Financial Year 2003 – 2004

i. Employee Stock Option Plan, 2001 (ESOP):

Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on August 28, 2001, the Company had introduced ESOP for its directors and employees. The Employee Stock Option Committee formed for the implementation of the plan, at its meeting held on September 28, 2002, granted share warrants entitling options for 568,000 Equity Shares to the eligible directors and employees of the Company at par. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity

Shares after a Minimum Exercise Period of 2 years from December 2, 2002 i.e., the date as specified in the warrant at the time of allotment.

Of these, options for 16,000 equity shares have lapsed on termination of employment of employees and options for 552,000 equity shares at Rs. 10 per equity shares were outstanding as on March 31, 2004 under the 2001 Plan. The rights under the options would be exercisable between December 2, 2004 and December 2, 2007 at a price of Rs. 10 per share (at par value), which would be deposited at the time of exercise of the options by the director and employees of the Company.

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

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

iii. Certificates for tax deducted at source aggregating Rs. 6.86 Million are in the process of being collected from customers and banks. No provision is considered necessary by the Management.

iv. Segment Reporting

Primary Segment:

In accordance with Accounting Standard 17 – 'Segment Reporting' issued by the Institute of Chartered Accountants of India, the Company has determined its business segment as "Container Freight Station". Since 100% of the Company's business is from Container Freight Station, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the Financial Statement as of and for the year ended March 31, 2004.

Secondary Segment:

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

v. Disclosure of Related Party:

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

Key Management Personnel:

Mr. Prem Kishan Gupta, Deputy Chairman and Managing Director

The Company has entered into transactions with the related party as follows:

Rs. in Million

Particulars	**2003 – 2004**	**2002 – 2003**
Commission to Mr. Prem Kishan Gupta, Deputy Chairman and Managing Director	0.85	-

e. Period April 1, 2004 to November 30, 2004

i. **Employees Stock Option Plan, 2001 (ESOP):**

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

ESOPs I

The Employee Stock Option Committee formed for the implementation of the plan, at its meeting held on September 28, 2002, granted share warrants entitling options for 568,000 Equity Shares to the eligible directors and employees of the Company at par. The Warrant holders shall be eligible for exercising the option to subscribe to the Equity Shares after a Minimum Exercise Period of 2 years from December 2, 2002 i.e., the date as specified in the warrant at the time of allotment. (The Board of Directors in its meeting on September 23, 2004 have extended the date of exercise of the options to April 2, 2005 or listing of the shares of the Company, whichever is later.)

Of these, options for 23,500 (Previous Year 16,000) equity shares have lapsed on termination of employment of employees and options for 544,500 (Previous Year 552,000) equity shares at Rs. 10 per equity shares were outstanding as on November 30, 2004 under the 2001 plan. The rights under the options would be exercisable for 2 years from April 2, 2005 or listing of the shares of the Company whichever is later at a price of Rs. 10 per share (at par value), which would be deposited at the time of exercise of the options by the director and employees of the Company.

ESOPs II

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

Of these, options for 10,500 equity shares have lapsed on termination of employment of employees and options for 157,000 equity shares at Rs. 22.50 per equity shares were outstanding as on November 30, 2004. The rights under the options would be exercisable between May 1, 2006 and May 1, 2009 at a price of Rs. 22.50 per share (at premium of Rs.12.50 per equity share), which would be deposited at the time of exercise of the options by the employees of the Company.

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

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

iii. Certificates for tax deducted at source aggregating Rs. 6.79 million (Previous Year Rs. 6.86 million) are in the process of being collected from customers and banks. No provision is considered necessary by the Management.

iv. Segment Reporting

Primary Segment:

In accordance with Accounting Standard 17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has determined its business segment as “Container Freight Station”. Since 100% of the Company’s business is from Container Freight Station, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the period is as reflected in the Financial Statement as of and for the period ended November 30, 2004.

Secondary Segment:

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

V. Disclosure of Related Party transactions

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

1. **Subsidiary Company** : Gateway East India Private Limited.

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

Rs.

Sr. No.	Particulars	Subsidiary Company		Key Managerial Personnel	
		April 1, 2004 to November 30, 2004	April 1, 2003 to March 31, 2004	April 1, 2004 to November 30, 2004	April 1, 2003 to March 31, 2004
1.	Investment in Equity Shares	15,000,000	-	-	-
2.	Share Application Money	3,581,333	-	-	-
3.	Commission to Mr. Prem Kishan Gupta, Deputy Chairman and Managing Director	-	-	-	850,000

vi. The Current accounting period is for the period from April 1, 2004 to November 30, 2004 whereas the previous accounting year was for the period from April 1, 2003 to March 31, 2004. The corresponding figures for the previous year are therefore not comparable with those of the current period. Prior year comparatives have been reclassified to conform to the current period's presentation, wherever applicable.

ANNEXURE VI

STATEMENT OF DIVIDEND PAID/ PROPOSED

Class of Shares	Face Value Rs./ Share	01.04.2004 to 30.11.2004	01.04.2003 to 31.03.2004	01.04.2002 to 31.03.2003	01.04.2001 to 31.03.2002	01.04.2000 to 31.03.2001	01.04.1999 to 31.03.2000
Equity Shares	10						
Paid-Up Equity Share Capital (Rs. in Million)		640.00	640.00	640.00	480.00	360.00	270.00
Interim Dividend (Rs. in Million)		-	128.00	48.00	-	-	-
Final Dividend (Rs. in Million)		-	-	16.00	24.00	10.80	-
Dividend Tax (Rs. in Million)		-	16.40	8.20	2.45	1.10	-
Interim Dividend (%)		-	20.0%	7.5%	-	-	-
Final Dividend (%)		-	-	2.5%	5.0%	3.0%	-

Notes:

1. In the year 2000-2001, Equity Share Capital was increased by issue and allotment of 9,000,000 Equity Shares of Rs. 10 each for cash.
2. In the year 2001-2002, Equity Share Capital was increased by issue and allotment of 12,000,000 Equity Shares of Rs. 10 each of which, 10,200,000 Equity shares were alloted at premium of Rs. 15.49 per share and 1,800,000 equity shares were allotted to Directors at price of Rs. 10 per share.
3. In the year 2002-2003, Equity Share capital was increased by allotment of 16,000,000 equity shares as fully paid bonus shares by capitalisation of Share Premium and surplus in Profit and Loss Account.

ANNEXURE VII

CAPITALISATION STATEMENT

Rs. in Million

Particulars	**Pre-issue As at 30.11.2004**	**Adjusted for Present Issue**
Borrowings:		
Short Term Debts (Refer Note 1 below)	208.75	208.75
Long Term Debts (A)	256.34	256.34
Total Debts	**465.09**	**465.09**
Shareholders' Funds		
Equity Share Capital	640.00	-
Reserves and Surplus	338.41	-
Total Shareholders' Funds (B)	978.41	-
Total Capitalisation	**1,443.50**	**465.09**
Long Term Debt/ Equity Ratio (A)/ (B)	**0.26**	**-**

See Note 2

Notes:

1. Short Term Debts are debts repayable within one year from the date of the above statement.
2. The Equity Share Capital and Reserves and Surplus (Post Issue) can be calculated only on conclusion of the Book Building Process.

ANNEXURE VIII

ACCOUNTING RATIOS RESTATED

	Particulars		01.04.2004 to 30.11.2004 (Note 1)	01.04.2003 to 31.03.2004	01.04.2002 to 31.03.2003	01.04.2001 to 31.03.2002	01.04.2000 to 31.03.2001	01.04.1999 to 31.03.2000
(i)	Basic EPS	Rs.	2.59	2.99	2.14	1.84	0.83	(0.04)
(ii)	Cash EPS	Rs.	3.35	3.71	2.66	2.53	1.41	0.70
(iii)	Net Asset Value Per Share	Rs.	15.29	12.69	11.96	14.33	9.99	11.47
(iv)	Operating Margin	%	60.20%	55.99%	58.70%	65.03%	62.94%	65.01%
(v)	Return on Net Worth	%	16.96%	23.55%	19.58%	10.94%	8.34%	(0.37)%
(vi)	Return on Capital Employed	%	11.50%	19.07%	15.60%	8.35%	3.89%	(0.16)%

Formulae:

(i) EPS represents basic earnings per share calculated as Adjusted Net Profit After Tax before exceptional items (PAT) divided by number of equity shares at the end of the fiscal year/period.

(ii) Cash EPS represents PAT for the year/ period plus non-cash charges divided by the number of equity shares at the end of the fiscal year/period. Non-cash charges comprise depreciation, provision for doubtful ground rent, provision for doubtful debts amortisation of miscellaneous expenditure and loss on sale of fixed assets.

(iii) Net Asset value per share, computed as per net equity method, is arrived at as Equity net worth at the end of the fiscal year/ period minus miscellaneous expenses not written off and divided by the number of equity shares at the end of the fiscal year/period.

(iv) Operating Margin represents Gross Profit (Total Income - Staff Cost - Operating Costs) divided by Income from Operations.

(v) Return on Net Worth is arrived at by dividing PAT by total shareholders' funds (Net Worth) at the end of the fiscal year/ period.

(vi) Return on Capital Employed is arrived at by dividing PAT by total shareholders' funds (Net Worth), Secured Loans and Unsecured Loans at the end of the fiscal year/ period.

Note:

1. Ratios have been computed on the basis of the adjusted profits/ losses for the respective years/ period.

ANNEXURE IX

STATEMENT OF SECURED LOANS

Rs. in Million

	As at 30.11.2004	As at 31.03.2004	As at 31.03.2003	As at 31.03.2002	As at 31.03.2001	As at 31.03.2000	Securities Offered	Interest Rate %	Terms of Repayment
SECURED LOANS									
Term Loans									
From Bank of India	-	-	-	50.00	250.00	320.00	Refer Note1 below		
From Development Bank of Sigapore	-	-	60.00	-	-	-	Refer Note 2 below		
From Consortium of Banks	200.00	40.00	-	-	-	-	Refer Note 3 below	Rs. 200 Million 8.5%	12 equal quarterly instalments from July 2004.
From Infrastructure Development Finance Company Limited	85.00	106.25	134.58	162.92	160.00	70.00	Refer Note 4 below	Rs. 85 Million 11.5%	October-2007
Vehicle Finance Loan from HDFC Bank Limited and ICICI Bank Limited	150.09	44.41	-	-	-	-	Refer Note 5 below	Rs.6.59 Million 7.69% Rs.22.78 Million 2.59% Rs.41.97 Million 3.46% Rs.33.45 Million 6.88% Rs.9.35 Million 6.88% Rs.15.04 Million 6.78% Rs.17.24 Million 4.04% Rs.1.58 Million 8.34% Rs.2.09 Million 7.96%	June 2007 June 2007 April 2007 April 2007 August 2007 August 2007 July-2005 February-2005 May-2005
Cash Credit									
From Bank of India	-	-	-	-	0.31	15.88	Refer Note 1 below		
From Development Bank of Singapore	-	-	0.54	-	-	-	Refer Note 2 below		
Hire Purchase Loan from Finance Companies	-	-	-	0.07	0.18	0.26	Refer Note 6 below		
Hire Purchase Loan from Finance Companies	-	-	-	-	0.20	1.86	Refer Note 6 below		
	435.09	**190.66**	**195.12**	**212.99**	**410.69**	**408.00**			

Notes:

1. Term Loan and Cash Credit facility from Bank of India were secured by all intangible, movable machinery and plant (both present and future), whether installed or not, book debts, outstanding money receivable claims, bills of whatsoever nature and whether arising in present and future and equitable mortgage by deposit of title of all piece of land with buildings, sheds and structures standing thereon.

2. Term Loan and Cash Credit facility from Develpoment Bank of Singapore are secured by a pari-passu charge on the movable properties (both present and future) of the Company, except the book debts, raw material namely stock in trade and consumables.
3. Term Loan of Rs. 200 Million from Consortium of Banks is secured by a pari-passu charge on all the present and future movable and immovable fixed assets, movable plant, machinery, equipments, chattels, other movable fixed assets of the Company including machinery spares, tools and accessories, stores and spares installations, furnitures, fixtures, office equipments of the Company.
4. Term Loan from Infrastructure Development Finance Company Limited is secured by a pari-passu charge created by the Company on the movable properties (both present and future), whether installed or not, and on book debts, receivables, commission and revenue of whatsoever nature and wherever arising both present and future and equitable mortgage by deposit of title of all piece of land with buildings, sheds and structures standing thereon.
5. Vehicle Finance Loan from HDFC Bank Limited and ICICI Bank Limited are secured by way of hypothecation of the Company's Commercial Vehicles (Trailors and Reach Stackers).
6. Hire Purchase Loan from Finance Companies were secured by a specific charge on Office Equipments, Computers and Vehicles.

ANNEXURE X

STATEMENT OF UNSECURED LOANS

Rs. in Million

	As at 30.11.2004	As at 31.03.2004	As at 31.03.2003	As at 31.03.2002	As at 31.03.2001	As at 31.03.2000	Interest Rate %	Terms of Repayment
UNSECURED LOANS								
Working Capital Loan								
From ICICI Bank Limited	30.00	-	-	-	-	-	7.30%	7-Apr-05
	30.00	**-**	**-**	**-**	**-**	**-**		

ANNEXURE XI

STATEMENT OF SUNDRY DEBTORS

Rs. in Million

Particulars	**As at 30.11.2004**	**As at 31.03.2004**	**As at 31.03.2003**	**As at 31.03.2002**	**As at 31.03.2001**	**As at 31.03.2000**
Debts Outstanding for a Period exceeding Six Months						
Considered Good	4.26	5.79	1.53	0.28	0.25	0.10
Considered Doubtful	11.13	4.39	0.52	0.45	-	-
Other Debts-Considered Good	62.53	47.59	29.68	16.48	9.42	12.83
Less: Provision for Doubtful Debts	11.13	4.39	0.52	0.45	-	-
	66.79	**53.38**	**31.21**	**16.76**	**9.67**	**12.93**

Notes:

1. The above does not include any debts due from Related Parties.
2. The Provision for Doubtful Debts as at November 30, 2004 includes Rs. 1.70 Million towards claims of auction surplus made by a customer and Rs. 0.76 Million towards claims for delayed movement of containers. The Management has informed that satisfactory resolution is expected in these cases, even though full provision has been made for the doubtful debts.

ANNEXURE XII

STATEMENT OF LOANS AND ADVANCES

Rs. in Million

Particulars	**As at 30.11.2004**	**As at 31.03.2004**	**As at 31.03.2003**	**As at 31.03.2002**	**As at 31.03.2001**	**As at 31.03.2000**
Advances recoverable in cash or kind or for value to be received						
- Due from Promoter (Windmill International Pte. Ltd.)	-	0.09	-	-	-	-
- Due from Directors	-	-	-	-	-	1.23
- Due from a Company in which Director is a member	-	-	-	-	1.23	-
- Others	11.33	5.02	2.68	0.78	2.15	2.11
Sub-Total	**11.33**	**5.11**	**2.68**	**0.78**	**3.38**	**3.34**
Share Application in Subsidiary Company	3.58	-	-	-	-	-
Security Deposits	0.69	0.57	1.94	0.94	2.00	1.99
Tax Deducted at Source and Advance Tax	57.86	46.07	28.46	11.86	5.11	1.86
Total	**73.46**	**51.75**	**33.08**	**13.58**	**10.49**	**7.19**

ANNEXURE XIII

STATEMENT GIVING DETAILS OF OTHER INCOME

Rs. in Million

Particulars	01.04.2004 to 30.11.2004	01.04.2003 to 31.03.2004	01.04.2002 to 31.03.2003	01.04.2001 to 31.03.2002	01.04.2000 to 31.03.2001	01.04.1999 to 31.03.2000	Nature of Income
Rent	3.20	3.29	2.36	2.20	1.86	1.22	Recurring
Interest on Fixed Deposits with Banks	0.56	1.03	1.51	9.18	0.45	1.47	Recurring
Provision/ Liability no longer required Written Back	0.01	0.14	0.17	0.10	-	0.49	Non - Recurring
Interest on Income Tax Refund	-	-	-	-	0.15	-	Non - Recurring
Exchange Gain	-	-	-	-	-	0.05	Non - Recurring
Write back of Auction Surplus	0.56	1.59	-	-	-	-	Non - Recurring
	4.33	**6.05**	**4.04**	**11.48**	**2.46**	**3.23**	

Note:

The classification of income into recurring and non recurring is based on the current operations and business activity of the Company.

ANNEXURE XIV

TAX SHELTER STATEMENT

Rs. in Million

	1.04.2004 to 30.11.2004	1.04.2003 to 31.03.2004	1.04.2002 to 31.03.2003	1.04.2001 to 31.03.2002	1.04.2000 to 31.03.2001	1.04.1999 to 31.03.2000
Net Profit/ (Loss) Before Tax and Exceptional Items	**201.19**	**222.80**	**164.89**	**120.25**	**46.98**	**4.29**
Add: Adjustment for Managerial Remuneration (as per Annexure III)	-	-	-	-	(0.46)	0.46
(A)	**201.19**	**222.80**	**164.89**	**120.25**	**46.52**	**4.75**
Income Tax Rates:						
- Normal Tax Rates Applicable (%)	36.59%	35.88%	36.75%	35.70%	39.55%	38.50%
- Minimum Alternate Tax (MAT) Rates Applicable u/s 115 JA/ JB (%)	7.84%	7.69%	7.88%	7.65%	8.48%	8.25%
Tax at Normal Income Tax Rates	73.62	79.93	60.60	42.93	18.40	1.83
Tax at MAT Rates **(B)**	15.78	17.13	12.99	9.20	3.94	0.39
Adjustments:						
Permanent Differences						
Expenses Disallowed	-	-	0.05	0.04	0.03	-
Deduction u/s 80 (IA) [Container Freight Station Activities]	(147.40)	(185.95)	(129.92)	(54.79)	-	-
Total Permanent Differences (C)	(147.40)	(185.95)	(129.87)	(54.75)	0.03	-
Timing Differences						
Difference between Tax Depreciation and Book Depreciation	(61.31)	(43.11)	(36.59)	(65.46)	(47.10)	(51.39)
Provision for Doubtful Debts	6.73	6.07	1.03	-	-	-
Provision for Retirement Benefits	0.79	0.19	0.62	0.04	0.37	-
Amortisation of Deferred Revenue Expenditure	-	-	(0.08)	(0.08)	(0.08)	(0.08)
Total Timing Differences (D)	(53.79)	(36.85)	(35.02)	(65.50)	(46.81)	(51.47)
Net Adjustments (C) + (D)	(201.19)	(222.80)	(164.89)	(120.25)	(46.78)	(51.47)
Tax Saving thereon	(73.62)	(79.93)	(60.60)	(42.93)	(18.50)	(19.82)
Total Taxation Provision at Normal Income Tax Rates for the year (E)	-	-	-	-	-	-
Taxation on Exceptional Items	-	-	4.78	(4.64)	-	-
Tax Provision before Exceptional Items	-	-	(4.78)	4.64	-	
Tax Payable [higher of (B) or (E)]	15.78	17.13	12.99	9.20	3.94	0.39
Tax Provision as per Books	15.90	17.20	13.10	9.23	5.53	0.13
Difference	(0.12)	(0.07)	(0.11)	(0.03)	(1.59)	0.26

Notes:

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

   Consequently, the Income Tax liability has been determined under "Minimum Alternate Tax" pursuant to Section 115 JB of the Income Tax Act.

2. In the Financial year 2000-2001, the difference between Tax Payable and Tax Provision as per Books is due to higher provision in books to cover interest and assessment dues/ demands for earlier years.

ANNEXURE XV

COMMITMENTS AND CONTINGENT LIABILITIES

Rs. in Million

Particulars	As at 30.11.2004	As at 31.03.2004	As at 31.03.2003	As at 31.03.2002	As at 31.03.2001	As at 31.03.2000
COMMITMENTS						
Estimated amount of contracts remaining to be executed on capital account and not provided for	21.11	66.23	12.01	62.19	4.90	73.81
Future Commitments in respect of premises occupied on lease	-	-	-	-	0.52	0.59
CONTINGENT LIABILITIES						
Bank Guarantee and Continuity Bond executed in favour of The President of India through the Commissioner of Customs towards permission from Collector of Customs, Jawahar Customs for transporting containers between the port of Jawaharlal Nehru (Nhava Sheva) and the Company's Container freight station at Navi Mumbai	378.00	75.00	75.00	75.00	75.00	75.00
TOTAL	**399.11**	**141.23**	**87.01**	**137.19**	**80.42**	**149.40**

Cash Flow Statement prepared from the restated financial statements for the period ended November 30, 2004, year ended March 31, 2004, March 31, 2003, March 31, 2002, March 31, 2001 and March 31, 2000

Rs. in Million

	1.4.2004 to 30.11.2004	1.4.2003 to 31.3.2004	1.4.2002 to 31.3.2003	1.4.2001 to 31.3.2002	1.4.2000 to 31.3.2001	1.4.1999 to 31.3.2000
A. **Cash flow from operating activities :**						
Profit/ (Loss) After Exceptional Item and Before Taxation	201.19	222.80	177.92	107.25	46.98	4.29
Adjustment for :						
Depreciation	41.29	39.77	32.53	29.79	18.77	18.27
Provision for Contingencies written back (exceptional item)	-	-	(13.00)	13.00	-	-
Amortisation of Deferred Revenue Expenditure	-	-	-	1.39	1.85	1.85
Provision for Doubtful Debts	6.74	3.87	0.24	0.45	-	-
Interest Expense	24.89	17.00	28.09	54.84	41.66	48.33
Interest Income (Net of Tax Deducted at Source)	(0.44)	(0.81)	(1.24)	(7.31)	(0.34)	(1.32)
Loss on Sale / Discard of Fixed Assets	0.10	0.08	-	0.09	-	-
Provision for Retirement Benefits	0.79	0.19	0.61	0.35	0.04	-
Provision for Doubtful Ground Rent	-	2.20	0.79	-	-	-
Liabilities no Longer Required Written Back	(0.57)	(1.74)	(0.17)	(0.10)	-	-
Operating profit before working capital changes	**273.99**	**283.36**	**225.77**	**199.75**	**108.96**	**71.42**
Adjustments for change in working capital:						
- Decrease/ (Increase) in Sundry Debtors	(20.14)	(26.04)	(14.53)	(7.54)	3.26	(12.10)
- Decrease/ (Increase) in Loans and Advances	(19.69)	(0.01)	(5.56)	(4.78)	(0.27)	(5.11)
- Increase/ (Decrease) in Trade and Other Payables	4.42	23.79	2.99	17.49	7.13	19.35
Cash generated from operations	**238.58**	**281.10**	**208.67**	**204.92**	**119.08**	**73.56**
- Taxes Paid	11.80	17.64	16.61	8.30	3.24	1.21
Net cash from operating activities (A)	**226.78**	**263.46**	**192.06**	**196.62**	**115.84**	**72.35**
B. **Cash flow from investing activities :**						
Purchase of Fixed Assets	(414.58)	(102.19)	(100.91)	(178.01)	(109.81)	(186.66)
Sale of Fixed Assets	0.13	0.02	-	0.25	-	-
Purchase of Shares in Subsidiary Company	(15.00)	-	-	-	-	-
Share Application Money	(3.58)	-	-	-	-	-
Interest Received	-	0.96	0.95	7.26	0.39	1.61
Net cash used in investing activities (B)	**(433.03)**	**(101.21)**	**(99.96)**	**(170.50)**	**(109.42)**	**(185.05)**

Rs. in Million

	1.4.2004 to 30.11.2004	1.4.2003 to 31.3.2004	1.4.2002 to 31.3.2003	1.4.2001 to 31.3.2002	1.4.2000 to 31.3.2001	1.4.1999 to 31.3.2000
C. **Cash flow from financing activities :**						
Subscription to Equity Shares Capital		-	-	278.00	30.00	70.00
Borrowing/ (Repayment) of Secured Loans	274.42	(4.45)	(17.88)	(197.70)	2.69	83.80
Interest Paid	(25.11)	(18.81)	(28.57)	(55.15)	(38.26)	(46.99)
Payment of Dividend	(64.00)	(128.00)	-	(34.80)	-	-
Payment of Dividend Tax	(8.20)	(16.40)	-	(3.55)	-	-
Net cash used in financing activities (C)	**177.11**	**(167.66)**	**(46.45)**	**(13.20)**	**(5.57)**	**106.81**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**(29.14)**	**(5.41)**	**45.65**	**12.92**	**0.85**	**(5.89)**
Cash and Cash Equivalents at the beginning of the year	62.10	67.51	21.86	8.94	8.09	13.98
Cash and Cash Equivalents at the year-end/ period-end	32.96	62.10	67.51	21.86	8.94	8.09
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(29.14)**	**(5.41)**	**45.65**	**12.92**	**0.85**	**(5.89)**

	As at November 30, 2004	**As at March 31, 2004**	**As at March 31, 2003**	**As at March 31, 2002**	**As at March 31, 2001**	**As at March 31, 2000**
Cash and Cash Equivalents comprise:						
Cash on Hand	0.05	0.01	0.23	0.13	0.09	0.07
Cheques on Hand	3.31	0.29	3.26	1.14	1.57	0.13
Balances with Scheduled Banks on :						
- in Current Accounts	12.30	41.09	3.92	3.07	2.83	2.80
- in Cash Credit Account	1.30	-	0.08	4.83	-	-
- in Deposit Account	16.00	20.71	60.02	12.69	4.45	5.09
Cash and Cash equivalents as at year-end/ period-end	**32.96**	**62.10**	**67.51**	**21.86**	**8.94**	**8.09**

Notes:

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

This page is not part of the Auditors' Report dated February 11 , 2005 and forms part of the Auditors' Certificate issued on February 11, 2005

AUDITORS' REPORT

To
The Board of Directors
Gateway Distriparks Limited
Sector 6, Dronagiri
Taluka – Uran
District Raigad
Navi Mumbai – 400 707

Dear Sirs,

We have examined the Statements of Profits & Losses of Indev Warehouse and Container Services Pvt. Ltd. a 100 % subsidiary of the Company for each of the years ended 31st March 2000, 31st March 2001, 31st March 2002, 31st March 2003, 31st March 2004 and seven months ended 31st October 2004, the Statement of Assets & Liabilities as at the above dates alongwith the Notes to Accounts and Significant Accounting Policies thereon adopted by the Company as ANNEXURE I, II and III and confirm that these statements reflect the Profits and Losses and the Assets and Liabilities of the subsidiary for each of the relevant periods as extracted, without any adjustments, from the Profit and Loss Account and the Balance Sheet of the subsidiary for the relevant periods, as audited by Messrs Pal & Shanbhogue, Chartered Accountants, for the year ended 31st March 2000 and by M. Pal & Co., Chartered Accountants, for the years ended 31st March 2001, 31st March 2002, 31st March 2003, 31st March 2004 and seven months ended 31st October 2004.

For **Rakesh Garg & Associates**
Chartered Accountants

Rakesh Garg
Partner

Place : Mumbai.

Date : 24th November 2004.

GATEWAY DISTRIPARKS LTD.

ANNEXURE I

SUMMARY OF PROFIT AND LOSS ACCOUNT

The accompanying statement of Significant Accounting Policies and Notes to Summary Statements (Annexure III) is an integral part of this statement.

(Rs.mn.)

Particulars	01-04-2004 to 31-10-2004	01-04-2003 to 31-03-2004	01-04-2002 to 31-03-2003	01-04-2001 to 31-03-2002	01-04-2000 to 31-03-2001	01-04-1999 to 31-03-2000
Income						
From Operations	39.98	36.34	31.52	53.88	64.53	50.36
Other Income	3.39	5.46	21.58	12.61	3.46	0.80
Total Income	**43.37**	**41.80**	**53.10**	**66.49**	**67.99**	**51.16**
Expenses						
Operating Cost						
Salaries & Wages	5.06	7.98	7.90	6.97	6.11	4.58
Contribution to PF & Other Funds	0.88	0.67	0.79	0.66	0.71	0.24
Staff Welfare expenses	0.59	0.79	0.78	0.75	0.73	0.53
Labour charges	5.22	6.64	8.47	5.38	7.19	6.13
Power & Fuel	2.48	2.67	2.13	2.35	2.18	1.98
Repairs & Maintenance	2.32	2.99	2.41	4.00	6.72	2.57
Crane Forklift hire charges	0.45	0.86	0.72	0.83	0.68	1.39
Customs charges	1.38	2.09	1.80	5.47	1.57	1.01
Insurance expenses	0.78	1.28	1.61	1.02	1.17	1.44
Transportation charges	0.82	0.99	1.15	0.86	0.54	0.64
Security charges	1.02	1.69	2.19	2.21	1.96	1.81
Water charges	0.15	0.23	0.20	0.18	0.16	0.25
Incentives	0.90	1.53	2.17	1.98	2.28	2.32
Survey charges	0.26	0.52	0.14	0.09	-	0.08
Sub-Total (A)	**22.31**	**30.93**	**32.46**	**32.75**	**32.00**	**24.97**
Administrative & Selling Expenses						
Advertisements	0.00	0.06	0.00	0.00	0.04	0.18
Car hire charges	1.65	3.19	2.96	2.42	2.17	2.08
Telephone expenses	0.41	0.54	0.62	0.67	0.70	0.75
Travelling expenses	0.24	0.07	0.24	0.24	0.37	0.34
Conveyance expenses	0.07	0.12	0.08	0.06	0.02	0.17
Rent	0.04	0.07	0.07	0.10	0.05	0.06
Amenities	-	-	-	-	0.05	0.05
Audit fees	0.04	0.03	0.03	0.03	0.03	0.03
Legal & Professional charges	0.01	0.04	0.04	0.39	0.02	0.02

(Rs.mn.)

Particulars	01-04-2004 to 31-10-2004	01-04-2003 to 31-03-2004	01-04-2002 to 31-03-2003	01-04-2001 to 31-03-2002	01-04-2000 to 31-03-2001	01-04-1999 to 31-03-2000
Printing & Stationery	0.20	0.35	0.28	0.25	0.30	0.24
Office Maintenance	0.03	0.05	0.03	0.03	0.05	0.04
Discount allowed	0.56	1.27	1.87	1.93	1.28	3.83
Bad debts	0.30	0.79	-	-	-	-
Business promotion expenses	0.14	0.22	0.25	0.55	0.44	0.10
Marketing expenses	-	0.08	0.17	0.17	0.17	0.17
Repairs & Maintenance	0.32	0.73	0.79	1.04	0.70	0.75
Rates & Taxes	0.05	0.06	0.08	0.06	0.05	0.05
Auction Expenses	0.57	2.94	8.32	6.76	1.31	-
Others	0.23	0.28	0.56	0.46	0.12	0.12
Sub-Total (B)	**4.86**	**10.89**	**16.39**	**15.16**	**7.87**	**8.98**
Financial Expenses						
Bank charges	0.13	0.09	0.15	0.04	0.09	0.20
Interest on term loan	-	-	0.03	0.97	2.71	3.85
Interest paid to others	2.63	8.95	8.95	13.68	13.07	12.81
Finance charges (HP)	-	-	-	0.04	0.07	0.02
Sub-Total (C)	**2.76**	**9.04**	**9.13**	**14.73**	**15.94**	**16.88**
Depreciation (D)	3.11	5.26	5.24	5.08	4.97	4.67
Preliminary Expenses written off (E)	-	-	-	-	-	-
Total Expenses (A) + (B) + (C) +(D) + (E)	**33.04**	**56.12**	**63.22**	**67.72**	**60.78**	**55.50**
Net Profit/ (Loss) before Provision for Tax and Non Recurring Items	**10.33**	**(14.32)**	**(10.12)**	**(1.23)**	**7.21**	**(4.34)**
Less: Non Recurring Items [Income/ (Expenses)]						
Loss on sale of assets	(0.01)	(0.00)	(0.46)	(0.00)	-	(0.80)
Advances and Bad Debts	(0.97)	-	-	-	-	-
Net Profit/ (Loss) before Provision for Tax	9.35	(14.32)	(10.58)	(1.23)	7.21	(5.14)
Provision for Tax	-	-	-	-	-	-
Net Profit/ (Loss) after Tax	9.35	(14.32)	(10.58)	(1.23)	7.21	(5.14)
Balance of Loss brought forward	(33.30)	(18.98)	(8.40)	(7.17)	(14.38)	(9.24)
Surplus/ (Deficit) carried to Balance Sheet	(23.95)	(33.30)	(18.98)	(8.40)	(7.17)	(14.38)

ANNEXURE II

Summary of Assets and Liabilities

The accompanying statement of Accounting Policies and Notes to Summary Statements (Annexure III) is an integral part of this statement.

(Rs. mn)

Particulars		As at 31.10.2004	As at 31.03.2004	As at 31.03.2003	As at 31.03.2002	As at 31.03.2001	As at 31.03.2000
A.	**Fixed Assets**						
	Gross Block	145.54	143.21	143.07	142.12	135.22	127.86
	Less: Depreciation	37.98	34.88	29.63	24.86	19.80	14.82
	Net Block	107.56	108.33	113.44	117.26	115.42	113.04
		107.56	**108.33**	**113.44**	**117.26**	**115.42**	**113.04**
B.	**Current Assets, Loans and Advances**						
	Inventories	-	-	-	-	-	0.22
	Sundry Debtors	4.12	5.89	4.66	36.24	22.17	5.62
	Cash and Bank Balances	19.06	3.61	8.17	0.41	0.34	1.30
	Other Current Assets	1.60	2.39	2.22	2.56	3.17	2.61
	Loans and Advances	1.26	1.42	1.38	1.98	2.85	3.83
		26.04	**13.31**	**16.43**	**41.19**	**28.53**	**13.58**
	Total Assets (A+B)	**133.60**	**121.64**	**129.87**	**158.45**	**143.95**	**126.62**
C.	**Liabilities and Provisions**						
	Secured Loans	-	-	-	1.58	9.50	19.41
	Unsecured Loans	138.08	135.72	127.58	136.91	120.92	105.61
	Current Liabilities	7.90	7.93	10.07	17.45	10.01	5.75
	Provisions	1.97	1.40	1.31	1.02	0.80	0.35
	Total Liabilities	**147.65**	**145.05**	**138.96**	**156.96**	**141.23**	**131.12**
	Net Worth (A+B-C)	**(14.05)**	**(23.41)**	**(9.09)**	**1.49**	**2.72**	**(4.50)**
	Represented by						
	Equity Share Capital	9.90	9.90	9.90	9.90	9.90	9.90
	Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	0.00	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
	Less: Profit & Loss A/c	(23.95)	(33.30)	(18.98)	(8.40)	(7.17)	(14.38)
	Net Worth	**(14.05)**	**(23.41)**	**(9.09)**	**1.49**	**2.72**	**(4.50)**

ANNEXURE III

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Significant Accounting Policies:

1. Basis of Accounting:

   The Accounts of the Company are prepared under the historical cost convention and in accordance with the applicable accounting standards except where otherwise stated. Mercantile system of accounting is followed.

2. Fixed Assets & Depreciation:

   Fixed assets are stated at historical cost less depreciation. Depreciation is provided on fixed assets, on straight-line method at rates prescribed in schedule XIV to the Companies Act, 1956. Freehold / Leasehold land is not depreciated.

3. Expenditure during Construction period:

   Expenditure during construction period is carried forward and will be allocated to respective fixed assets upon commissioning of the asset.

4. The Company is carrying inventory of stores & spares, which are valued 'AT COST'.

5. Revenue Recognition:

   Revenue, being in the nature of service charges, is recognized on completion of services rendered.

6. Retirement Benefits:

   Provision for gratuity liability is made on actuarial basis. The Company has no agreement with the employees for payment of leave encashment. Hence, no provision has been made for leave encashment.

7. Miscellaneous Expenditure:

   Preliminary expenses are amortized over a period of 10 years.

Notes to Accounts:

1. The Company was contingently liable for

   (a) Bank Guarantees:

Year Ended	**Amount (Rs.)**
as on 31-03-2000	2 Million
as on 31-03-2001	2 Million
as on 31-03-2002	3.04 Million
as on 31-03-2003	3.04 Million
as on 31-03-2004	10 Million
as on 31-10-2004	10.04 Million

   (b) Claims against the Company not acknowledged as debts for the year ended March 31, 2004 and for the seven months ended October 31, 2004:

   - The Company has to pay Rs. 0.92 Million to Liberty Commodities Ltd., London, the owners of the cargo which was auctioned for non payment of dues, towards balance of auction realization of the cargo. Everette, the C & F Agents of Liberty Commodities Ltd. have sent a notice to the Company demanding a sum of Rs. 1.70 Million, which, according to them, is due to them by Liberty Commodities Ltd. Since no lien was registered by Everette with the Company, the Company is of the opinion that there is no liability accruing towards claims made by Everette.
   - Cost Recovery charges demanded by Chennai Customs

as on 31-03-2004	Rs. 1.55 Million
as on 31-10-2004	Rs. 1.65 Million

2. For the years ended 31-03-2002, 31-03-2003, 31-03-2004 and seven months ended October 31, 2004, Sundry Debtors and Creditors are subject to confirmation.

3. Previous year's figures have been regrouped wherever necessary.

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

Statement of Possible Tax Benefits Available to the Company and its Shareholders

We hereby report that the enclosed annexure states the possible tax benefits available to Gateway Distriparks Limited (the "Company") and its shareholders under the tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependant upon them fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the Selling Shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising from their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders will continue to obtain these benefits in future; or

(ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of this Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For **Rakesh Garg & Associates**
(Chartered Accountants)

Rakesh Garg
Partner

Place: Mumbai
Date: October 11, 2004

ANNEXURE:

Statement of possible tax benefits available to Gateway Distriparks Limited and to its Shareholders

As per the existing provisions of the Income Tax Act, 1961 (the Act) and other laws as applicable for the time being in force, the following tax benefits and deductions are and will, inter-alia be available to Gateway Distriparks Limited and its shareholders.

1. Benefits available to the Company

Under Direct Taxes

Under the Income Tax Act, 1961

1.1 Tax holiday under Section 80IA of the Act

As per provisions of Section 80 IA of the Income Tax Act, 1961, an Indian company engaged in the business of developing, operating and maintaining any infrastructure facility on or after 1st day of April, 1995, will be eligible for a deduction for an amount equal to 100% of the profits and gains derived from such business for 10 consecutive years.

Based on an opinion obtained, the Management has taken a view that provisions of Section 80-IA(4)(i) of the Income Tax Act, 1961, of India ("the Income Tax Act") have been fulfilled and the Company is eligible for tax holiday in respect of the profits in respect of the Container Freight Station at Navi Mumbai for a period of 10 financial years beginning with the Financial year 2001-2002.

1.2 Computation of Capital gains

1.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units) are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company , any other listed securities, units of UTI and specified Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently, capital gains arising on sale of shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units held for more than 12 months are considered as " long term capital gains".

1.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

1.2.3 In accordance with and subject to the conditions and to the extent specified in Section 112(1)(b) of the Act, tax on long term capital gains as computed above that are not exempt under section 10 (38) of the Act, arising on sale of listed securities or units will be, at the option of the concerned shareholder, 10% of capital gains (computed without indexation benefits) or 20% of capital gains (computed with indexation benefits) as increased by a surcharge at an appropriate rate on the tax so computed in either case.

1.2.4 As per section 111A of the Income tax Act 1961, that the short term capital gains on sale of shares where the transaction of sale is entered into on a recognized stock exchange in India, on or after the date on which Chapter VII of the Finance (No. 2), Act, 2004 comes into force shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and Education cess)

1.3. Exemption of capital gain from income tax:

1.3.1 As per the provisions of section 10(38) of the Income tax Act 1961, long term capital gain on sale of shares where the transaction of sale is entered into on a recognized stock exchange of India shall be exempt from tax.

1.3.2 In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders(in case the capital gain is not exempt u/s 10(38) of the Income tax Act 1961) would be entitled to exemption from tax on gains arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.

1.3.3. In accordance with and subject to the conditions and to the extent specified in Section 54ED of the Act, the shareholders (in case the capital gain is not exempt u/s 10(38) of the Income tax Act 1961) would be entitled to exemption from long term capital gain tax on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring equity shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.

'Eligible issue of share capital' has been defined as an issue of equity shares which satisfies the following conditions:

- the issue is made by a public company formed and registered in India; and
- the shares forming part of the issue are offered for subscription to the public.

Where the shares are sold or otherwise transferred within a period one year from the date of their acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year the shares are sold or otherwise transferred.

2. Benefits available to Resident Shareholders

Under Direct Taxes

Under the Income Tax Act, 1961

2.1. Dividends exempt under section 10(34):- Under Section 10(34) of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 01, 2003 is completely exempt from tax in the hands of the shareholders of the Company.

2.2 Computation of Capital Gains

2.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units) are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company , any other listed securities, units of UTI and specified Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently, capital gains arising on sale of shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units held for more than 12 months are considered as " long term capital gains".

2.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

2.2.3 As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under the section 10(38) of the Act would be subject to tax at a rate of 20 %(plus applicable surcharge). The Finance (No.2) bill, 2004 has levied an additional surcharge ('Education Cess') at the rate of 2 % of such tax and surcharge. However, as per the provision to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20% with indexation benefits, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and the Educational Cess) as per the Finance (No.2) Bill, 2004.

2.2.4 As per section 111A of the Income tax Act 1961, that the short term capital gains on sale of shares where the transaction of sale is entered into on a recognized stock exchange in India, on or after the date on which Chapter VII of the Finance (No. 2), Act, 2004 comes into force shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and Education cess)

2.3. Exemption of Capital Gain from income tax:-

2.3.1 As per provisions of section 10(38)of the Income Tax Act,1961 the long term capital gain on sale of shares where the transaction of sale is entered into on an recognized stock exchange in India, shall be exempt from tax.

2.3.2 In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders (in case the capital gain is not exempt u/s 10(38) of the Income tax Act 1961) would be entitled to exemption from tax on gains arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.

2.3.3. In accordance with and subject to the conditions and to the extent specified in Section 54ED of the Act, the shareholders (in case the capital gain is not exempt u/s 10(38) of the Income tax Act 1961) would be entitled to exemption from long term capital gain tax on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring equity shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.

'Eligible issue of share capital' has been defined as an issue of equity shares which satisfies the following conditions:

- the issue is made by a public company formed and registered in India; and
- the shares forming part of the issue are offered for subscription to the public.

Where the shares are sold or otherwise transferred within a period one year from the date of their acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year the shares are sold or otherwise transferred..

2.3.4. In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder (in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) would be entitled to exemption from long term capital gains on the sale of shares in the Company upon investment of net consideration in purchase / construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

2.4. In accordance with the provisions of Section 10(32) of the Act, any income of minor children clubbed with the total income of the parent under Section 64(1A) of the Act will be exempt from tax to the extent of Rs.1,500 per minor child per year.

3. Benefits available to Non- Resident Indian Shareholders

3.1 Dividends exempt under section 10(34):- Under Section 10(34) of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 01, 2003 is completely exempt from tax.

3.2. Computation of Capital gains

3.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units) are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company , any other listed securities, units of UTI and specified Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently, capital gains arising on sale of shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units held for more than 12 months are considered as " long term capital gains".

3.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

3.2.3 In accordance with and subject to the conditions and to the extent specified in Section 112(1)(b) of the Act, tax on long term capital gains that are not exempt under section 10 (38) of the Act, arising on sale of listed securities or units will be, at the option of the concerned shareholder, 10% of capital gains (computed without indexation benefits) or 20% of capital gains (computed with indexation benefits) as increased by a surcharge at an appropriate rate on the tax so computed in either case.

3.2.4 As per section 111A of the Income tax Act 1961, that the short term capital gains on sale of shares where the transaction of sale is entered into on a recognized stock exchange in India, on or after the date on which Chapter VII of the Finance (No. 2), Act, 2004 comes into force shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and Education cess)

3.2.5. Options available under the Act

Option of taxation under Chapter XII- A of the Act:

Non – Resident Indians (as defined in Section 115C (e) of the Act) , being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII – A of the Act, which inter alia entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

3.2.5.1 In accordance with and subject to the conditions and to the extent specified in Section 115D read with Section 115E of the Act, long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10% as increased by a surcharge at an appropriate rate on the tax so computed, without any indexation benefit.

3.2.5.2. In case of a shareholder being a non-resident Indian, and subscribing to the shares in convertible foreign exchange in accordance with and subject to the conditions and to the extent specified in Section 115F of the Act, the non-resident Indian shareholder would be entitled to exemption from long term capital gains on the transfer of shares in the Company upon investment of net consideration in modes as specified in sub-section (1) of Section 115F. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section10(4B)of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset or savings certificates in which the investment has made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

3.2.5.3. In accordance with the provisions of Section 115G of the Act, Non Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

3.2.5.4. In accordance with the provisions of Section 115H of the Act, when a Non Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

3.2.5.5 As per the provisions of section 115I of the Act, a Non Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

3.2.6 Exemption of capital gain from income tax:-

3.2.6.1 As per provisions of section 10(38) of the Income Tax Act 1961, long-term capital gains on sale of shares where the transaction of sale is entered into on recognized stock exchange in India shall be exempt from tax.

3.2.6.2 In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders (in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) would be entitled to exemption from tax on gains arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.

3.2.6.3 In accordance with and subject to the conditions and to the extent specified in Section 54ED of the Act, the shareholders (in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) would be entitled to exemption from long term capital gain tax on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring equity shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.

'Eligible issue of share capital' has been defined as an issue of equity shares which satisfies the following conditions:

- the issue is made by a public company formed and registered in India; and
- the shares forming part of the issue are offered for subscription to the public.

Where the shares are sold or otherwise transferred within a period one year from the date of their acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year the shares are sold or otherwise transferred.

3.2.6.4 In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder (in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) would be entitled to exemption from long term capital gains on the sale of shares in the Company upon investment of net consideration in purchase / construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

3.3 Provisions of the Act vis-à-vis provisions of the tax treaty

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.

4. Benefits available to other Non-residents

4.1 Dividends exempt under section 10(34):- Under Section 10(34) of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 01, 2003 is completely exempt from tax

4.2. Computation of Capital gains

4.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units) are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company , any other listed securities, units of UTI and specified Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months. Consequently, capital gains arising on sale of shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units held for more than 12 months are considered as " long term capital gains".

4.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

4.2.3 In accordance with and subject to the conditions and to the extent specified in Section 112(1)(b) of the Act, tax on long term capital gains arising on sale of listed securities or units will be, at the option of the concerned shareholder, 10% of capital gains (computed without indexation benefits) or 20% of capital gains (computed with indexation benefits) as increased by a surcharge at an appropriate rate on the tax so computed in either case.

4.2.4 As per section 111A of the Income tax Act 1961, that the short term capital gains on sale of shares where the transaction of sale is entered into on a recognized stock exchange in India, on or after the date on which Chapter VII of the Finance (No. 2), Act, 2004 comes into force shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and Education cess)

4.2.5 Exemption of capital gain from income tax:-

4.2.5.1 As per provisions of section 10(38) of the Income Tax Act 1961, long-term capital gains on sale of shares where the transaction of sale is entered into on recognized stock exchange in India shall be exempt from tax.

4.2.5.2 In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders (in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) would be entitled to exemption from tax on gains arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.

4.2.5.3 In accordance with and subject to the conditions and to the extent specified in Section 54ED of the Act, the shareholders (in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) would be entitled to exemption from long term capital gain tax on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring equity shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.

'Eligible issue of share capital' has been defined as an issue of equity shares which satisfies the following conditions:

- the issue is made by a public company formed and registered in India; and
- the shares forming part of the issue are offered for subscription to the public.

Where the shares are sold or otherwise transferred within a period one year from the date of their acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year the shares are sold or otherwise transferred.

4.2.5.4 In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder(in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) would be entitled to exemption from long term capital gains on the sale of shares in the Company upon investment of net consideration in purchase /

construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

4.3 Provisions of the Act vis-à-vis provisions of the tax treaty

As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.

5. Benefits available to Foreign Institutional Investors ('FII')

5.1 Dividends exempt under section 10(34):- Under Section 10(34) of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after April 01, 2003 is completely exempt from tax

5.2. In case of a shareholder being a Foreign Institutional Investor (FII), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long term capital gain (in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) will be 10% and on short term capital gain (in case the short term capital gain is not covered u/s 111 A of the Income tax Act 1961)will be 30% as increased by a surcharge at an appropriate rate on the tax so computed in either case. The Finance (No.2) Bill, 2004 has levied Education Cess at the rate of 2 % of such tax and surcharge. It is to be noted that the benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to a FII.

5.2.1 As per section 111A of the Income tax Act 1961, that the short term capital gains on sale of shares where the transaction of sale is entered into on a recognized stock exchange in India, shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and Education cess)

5.3. Exemption of capital gain from income tax:-

5.3.1 As per provisions of section 10(38) of the Income Tax Act 1961, long-term capital gains on sale of shares where the transaction of sale is entered into on recognized stock exchange in India shall be exempt from tax.

5.3.2 In accordance with and subject to the conditions and to the extent specified in Section 54ED of the Act, the shareholders (in case the capital gain is not exempt u/s 10 (38) of the Income tax Act 1961) would be entitled to exemption from long term capital gain tax on transfer of their assets being listed securities or units to the extent such capital gain is invested in acquiring equity shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.

'Eligible issue of share capital' has been defined as an issue of equity shares which satisfies the following conditions:

- the issue is made by a public company formed and registered in India; and
- the shares forming part of the issue are offered for subscription to the public.

Where the shares are sold or otherwise transferred within a period one year from the date of their acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year the shares are sold or otherwise transferred.

5.4. As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.

6. Benefits available to Mutual Funds

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

7. Benefits available to Venture Capital Companies / Funds

In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would be exempt from Income Tax, subject to the conditions specified.

8. Benefits available under the Wealth Tax Act, 1957

As per the prevailing provisions of the above Act, no Wealth Tax shall be levied on value of shares of the Company.

9. Benefits available under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 01,1998. Therefore, any gift of shares will not attract gift tax.

Note:

1. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of ordinary shares. The statements made above are based on the tax laws in force as also under the Finance (No.2) Bill, 2004 and as interpreted by relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of their holdings based on their residential status and the relevant double taxation conventions.
2. All the above benefits are as per the current tax laws as amended by the Finance Act, 2004.
3. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by joint holders.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-resident has fiscal domicile.
5. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

OTHER REGULATORY DISCLOSURES

Stock Market Data for the Equity Shares of the Company

This being the initial public offering of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Particulars Regarding Previous Public Offers During the Last Five Years

The Company has not made any previous public offer.

Companies under the Same Management

There are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act other than subsidiaries of GDL as disclosed under the section titled "Subsidiaries of the Company" at page 67 of this Prospectus and promoter group companies as disclosed under the section titled "Promoters and their Background" at page 86 of this Prospectus.

Mechanism Evolved for Redressal of Investor Grievances

GDL will settle investor grievances expeditiously and satisfactorily. The agreement between GDL and the Registrar to the Offer will provide for retention of records with the Registrar to the Offer, Intime Sprectrum Registry Limited, for a period of at least six months from the last date of dispatch of letters of allotment, demat credit, and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to this Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

Disposal of Investor Grievances

GDL estimates that the average time required by them or the Registrar to the Offer for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, GDL or the Registrars will seek to redress these complaints as expeditiously as possible. The Company has appointed Mr. R. Kumar, Chief Finance Officer and Company Secretary, Gateway Distriparks Limited as the Compliance Officer and he may be contacted in case of any pre-issue or post-issue related problems. He can be contacted at:

Gateway Distriparks Limited
Container Freight Station,
Sector 6, Dronagiri,
Tal :Uran, Dt: Raigad
Navi Mumbai – 400 707
Tel: +91-22-2747 0520 / 2747 1855
Fax: +91 –22-2747 1854
E-mail: kumar@gateway-distriparks.com

Restriction on foreign ownership of Equity Shares of the Company

Foreign investment in Indian securities is regulated through the industrial policy of the Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government of India, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment is allowed up to 100% in companies in the logistics business such as that engaged in by the Company. The government bodies responsible for granting foreign investment approvals (where required to be obtained) are the FIPB and the RBI.

The RBI has by its Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, provided that the price of equity shares to be issued is not less than the price at which equity shares are issued to residents.

Under the present regulations, the maximum permissible investment by a single FII cannot exceed 10% of its total issued capital. The maximum permissible FII investment in the Company is restricted to 24% of its total issued capital. This limit of 24% of the total issued capital can be raised to 100% by adoption of a special resolution by the Company's shareholders. However, as of the date hereof, no such resolution has been recommended to the shareholders of the Company for adoption.

TERMS OF THE OFFER

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable.

Authority for the Offer

The Fresh Issue has been authorised by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956, at the extraordinary general meeting of the shareholders of the Company held on March 18, 2004. The Offer has been authorised by a resolution of the Board of Directors of GDL dated June 16, 2004.

WIPL vide its board resolution dated June 03, 2004, has approved the offer for sale of upto 1,289,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

PHL vide its board resolution dated June 03, 2004, has approved the offer for sale of upto 1,105,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

TCL vide its board resolution dated on June 15, 2004 has approved the offer for sale of upto 966,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

TIHML vide its board resolution dated on June 15, 2004 has approved the offer for sale of upto 322,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

PIPL vide its board resolution dated June 14, 2004 has approved the offer for sale of upto 1,578,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

IDFC vide its Credit Committee resolution dated August 13, 2004 has approved the offer for sale of upto 4,740,000 Equity Shares of Rs. 10 each held by it in GDL through this Offer.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by the Company after the date of allotment.

Face Value and Offer Price

The Equity Shares with a face value of Rs. 10/- each are being offered in terms of this Prospectus at a total price of Rs. 72 per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll, either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer to the section on "Main Provisions of Articles of Association " on page 212 of thisProspectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in Equity Shares of the Company shall only be in dematerialised form for all investors. Since trading of Equity Shares is in a dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. Allotment through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of 90 Equity Shares. For details of allocation and allotment refer to the section on "Statutory and Other Information – Basis of Allocation" on page 207 of this Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with competent courts/authorities in New Delhi, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall, in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of the Company or at the Registrar and Transfer Agents of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall, upon the production of such evidence as may be required by the Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors want to change the nomination, they are requested to inform their respective depository participant.

Subscription by NRIs/ FIIs/Foreign Venture Capital Funds registered with SEBI

Pursuant to the Press Release dated September 29, 2004 issued by the Ministry of Finance, GoI and A.P. (Dir Series) Circular No. 16 dated October 4, 2004 issued by the RBI, transfer of shares between residents and non residents no longer requires the approval of the FIPB and the RBI, if specified conditions mentioned in the circular dated October 4, 2004 are fulfilled. The RBI has sought a clarification from SEBI on the process of the Book Building route in this regard. Should the Company, however, require FIPB and / or RBI approval for the Offer for Sale, it will obtain all such necessary approvals, including those of the FIPB and / or RBI.

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non-Residents, NRI, FIIs and Foreign Venture Capital Fund applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Offer.

There are also restrictions in the laws of other jurisdictions for the offer or sale of Equity Shares to Non Residents including NRIs and FIIs. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act) or any other jurisdiction where its unlawful to subscribe to such equity shares.

OFFER STRUCTURE

The present Offer of 21,000,000 Equity Shares comprising of Fresh Issue of 11,000,000 Equity Shares and Offer for Sale of 10,000,000 Equity Shares, at a price of Rs. 72 for cash aggregating Rs. 1,512 million is being made through the book building process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Up to 10,500,000 Equity Shares or Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Minimum of 5,250,000 Equity Shares or Offer less allocation to QIBs and Retail Individual Bidders.	Minimum of 5,250,000 Equity Shares or Offer less allocation to QIBs and Non-Institutional Bidders.
Percentage of Offer Size available for allocation	Up to 50% of Offer or Offer size less allocation to Non Institutional Bidders and Retail Individual Bidders	Minimum 25% of Offer or Offer size less allocation to QIBs and Retail Individual Bidders.	Minimum 25% of Offer or Offer size less allocation to QIBs and Non Institutional Bidders.
Basis of Allocation if respective category is oversubscribed	Discretionary	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs 50,000 and in multiples of 90 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs 50,000 and in multiples of 90 Equity Shares thereafter.	90 Equity Shares and in multiples of 90 Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits.	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 50,000.
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, venture capital funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, and State Industrial Development	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, scientific institutions societies and trusts.	Individuals (including NRIs and HUFs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 50,000 in value.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 mn and pension funds with minimum corpus of Rs. 250 mn in accordance with applicable law.		
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.
Margin Amount	Nil	Full Bid amount on Bidding	Full Bid amount on Bidding

* Subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, would be allowed to be met with spillover from any other category at the discretion of the Company and the Selling Shareholders, in consultation with the BRLMs.

** In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint name and are in the same sequence in which they appear in the Bid Cum Application Form.

OFFER PROCEDURE

Book Building Procedure

The Offer is being made through the 100% Book Building Process wherein up to 50% of the Offer shall be available for allocation on a discretionary basis to QIBs. Further, not less than 25% shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 25% shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price.

Bidders are required to submit their Bids through the Syndicate. The Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, without assigning any reason(s) thereof. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company and the Selling Shareholders would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public, NRIs applying on a non-repatriation basis	White
NRIs, or FIIs or Foreign Venture Capital Funds registered with SEBI applying on a repatriation basis	Blue

Who can Bid?

1. Indian nationals resident in India, who are majors, in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
3. Insurance companies registered with the Insurance Regulatory and Development Authority;
4. Provident funds with minimum corpus of Rs. 250 mn and who are authorised under their constitution to invest in equity shares;
5. Pension funds with a minimum corpus of Rs. 250 mn and who are authorised under their constitution to invest in equity shares;
6. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
7. Indian Mutual Funds registered with SEBI;
8. Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and

SEBI guidelines and regulations, as applicable);

9. Venture Capital Funds registered with SEBI;
10. Foreign Venture Capital Investors registered with SEBI;
11. State Industrial Development Corporations;
12. Trusts/ societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/ Societies and who are authorised under their constitution to hold and invest in equity shares;
13. Eligible non-residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable laws; and
14. Scientific and/ or industrial research organisations authorised to invest in equity shares.

Note: The BRLMs, Syndicate Members and any associate of the BRLMs and Syndicate Members (except asset management companies on behalf of mutual funds, Indian financial institutions and public sector banks) cannot participate in that portion of the Offer, where allocation is discretionary. Further, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

As per the current regulations, the following restrictions are applicable to investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

As per the current regulations, the following restrictions are applicable to investments by FIIs:

No single FII can hold more than 10% of the post-issue paid-up capital of the Company (i.e. 10% of 75,000,000 Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of the Company or 5% of the total issued capital of the Company in case such sub account is a foreign corporate or an individual. As of now, the aggregate FII holding in the Company cannot exceed 24% of the total issued capital of the Company. With approval of the Board and that of the shareholders by way of a special resolution, the aggregate FII holding limit can be enhanced upto 100%. However till date no such resolution has been recommended to the shareholders for approval.

As per the current regulations, the following restrictions are applicable to investments by SEBI registered venture capital funds and foreign venture capital investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any venture capital fund or foreign venture capital investor should not exceed 25% of the corpus of the Venture Capital Funds and Foreign Venture Capital Investors. Equity Shares allotted to Venture Capital Funds and Foreign Venture Capital Investors through this Offer shall be locked in for a period of one year.

The above information is given for the benefit of the Bidders. The Company and the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for does not exceed the limits under applicable laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 90 Equity Shares and in multiples of 90 Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 50,000. In case of revision of

Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 50,000. In case the Bid Amount is over Rs. 50,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Offer Price as determined at the end of the Book Building Process.

(b) **For Other (Non-Institutional Bidders and QIBs) Bidders**: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 50,000 and in multiples of 90 Equity Shares thereafter. A Bid cannot be submitted for more than the Offer. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Offer Closing Date.

In case of revision in Bids, those Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 50,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 50,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Information for the Bidders

(a) The Company and the Selling Shareholders will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Offer Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the registered office or from any of the members of the Syndicate.

(d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

(a) The Company, the Selling Shareholders and the BRLMs shall declare the Bid/Offer Opening Date, Bid/Offer Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement shall contain the salient features of the Red Herring Prospectus as specified under Form 2A of the Companies Act, the method and process of bidding and the names and addresses of the BRLMs and Syndicate Members and their bidding centers. The Syndicate Members shall accept Bids from the Bidders during the Offer Period in accordance with the terms of the Syndicate Agreement.

(b) Investors who are interested in subscribing to the Company's Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.

(c) The Bidding/Offer Period shall be a minimum of five days and not exceed ten days. In case the Price Band is revised, the revised Price Band and Bidding/Offer Period will be published in two national newspapers (one each in English and Hindi) and the Bidding/Offer Period may be extended, if required, by an additional three days, subject to the total Bidding/Offer Period not exceeding 13 days.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" on the next page) within the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Offer Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares under this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" on page 195 of the Red Herring Prospectus.

(f) The Syndicate Members will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bidding/Offer Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment and Payment into Escrow Accounts" on Page 194 of the Red Herring Prospectus.

Bids at Different Price Levels

(a) The Price Band has been fixed at Rs 60 to Rs 72 per Equity Share of Rs. 10 each, Rs 60 being the Floor Price and Rs 72 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re 1.

(b) In accordance with SEBI Guidelines, the Company and the Selling Shareholders reserve the right to revise the Price Band during the Bidding/Offer Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the price band disclosed in the Red Herring Prospectus.

(c) In case of revision in the Price Band, the Offer Period will be extended for three additional days after revision of Price Band subject to a maximum of 13 days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English and Hindi), and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(d) The Company and the Selling Shareholders, in consultation with the BRLMs, can finalise the Offer Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.

(e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 50,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.**

(f) Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut off Price (i.e. the total number of Equity Shares allocated in the Offer multiplied by the Offer Price), the Retail Individual Bidders, who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the Revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 50,000 if the Bidder wants to continue to bid at Cut off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 50,000, the Bid will be considered for allocation under the Non-Institutional portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

Escrow Mechanism

The Company and the Selling Shareholders shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account for the Offer. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Offer Account of the Company and the Selling Shareholders as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Offer to facilitate collections from the Bidders.

Terms of Payment and Payment into Escrow Accounts

Each Bidder, who is required to pay Margin Amount greater than 0% shall, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph "Payment Instructions" on page 200) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Offer from the Escrow Account, as per the terms of the Escrow Agreement, into the Offer Account of the Company with the Banker(s) to the Offer. The balance amount after transfer to the Offer Account of the Company shall be held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and no later than 15 days from the Bid Closing Date / Offer Closing Date, the Escrow Collection Bank(s) shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e. QIBs, Non Institutional Bidders, Retail Individual Bidders would be required to pay the applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidder is mentioned under the heading "Offer Structure" on page 188 of the Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Offer Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allotment, will be refunded to such Bidder within 15 days from the Bid Closing Date/Offer Closing Date, failing which the Company and the Selling Shareholders shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

(a) The Syndicate Members will register Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids will be accepted.

(b) BSE and NSE will offer a screen-based facility for registering Bids for the Offer. This facility will be available on the terminals of the Syndicate Members and their authorised agents during the Bidding/Offer Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on an hourly basis. On the Bid Closing Date, the Syndicate Members shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be downloaded on a hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding/Offer Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor
- Investor Category –Individual, Corporate, NRI, FII, or Mutual Fund etc.
- Numbers of Equity Shares bid for
- Bid price
- Bid cum Application Form number
- Whether payment is made upon submission of Bid cum Application Form
- Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder

(e) A system generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company and the Selling Shareholders.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) Consequently, the member of the Syndicate also has the right to accept the Bid or reject it without assigning any reason(s), in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on technical grounds listed elsewhere in the Red Herring Prospectus.

(h) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean compliance with various statutory and other requirements by the Company or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the promoters, the management or any scheme or project of the Company.

(i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed to mean that the Red Herring Prospectus or Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the Syndicate Members shall be electronically transmitted to the BSE or NSE mainframe on a half hourly basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding/Offer Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form which is a part of the Bid cum Application Form.

(d) Revisions can be made in both, the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options, that are not being changed, in the Revision Form . Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof**.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIBs, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) In case of discrepancy of data between BSE or NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid Closing Date /Offer Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss pricing strategy with the Company and the Selling Shareholders.

(b) The Company and the Selling Shareholders, in consultation with the BRLMs, shall finalise the "Offer Price", the number of Equity Shares to be allotted in each category and the allocation to successful QIB Bidders. The allocation will be decided based, *inter alia*, on the quality of the Bidder, and the size, price and time of the Bid.

(c) The allocation for QIBs for up to 50% of the Offer would be discretionary. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 25% and 25% of the Offer respectively would be on proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price.

(d) Under subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of the Company and the Selling Shareholders in consultation with the BRLMs.

(f) The BRLMs, in consultation with the Company and the Selling Shareholders , shall notify the members of the Syndicate of the Offer Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(h) The Company and the Selling Shareholders reserve the right to cancel the Offer any time after the Bid/Offer Opening Date without assigning any reasons whatsoever.

(i) In terms of SEBI Guidelines, QIBs shall not be allowed to withdraw their Bid after the Bid Closing Date.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the Selling Shareholders, the BRLMs and the Syndicate Members have entered into an Underwriting Agreement dated March 15, 2005 .

(b) We have filed the Red Herring Prospectus with the RoC, which is now termed 'Prospectus'.

Advertisement regarding Offer Price and Prospectus

A statutory advertisement will be issued by the Company and the Selling Shareholders after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Offer Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) The BRLMs or Registrar to the Offer shall send a list of their Bidders who have been allocated Equity Shares in the Offer to the members of the Syndicate.

(b) The BRLMs or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Offer Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay, in full, the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Offer subject, however, to realisation of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be a deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Offer Price for all the Equity Shares to be allotted to such Bidder.

Designated Date and Allotment of Equity Shares

(a) The Company and the Selling Shareholders will ensure that Allotment of Equity Shares is done within 15 days of the Bid Closing Date/Offer Closing Date. After the funds are transferred from the Escrow Account to the Offer Account of the Company on the Designated Date, the Company and the Selling Shareholders would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees within 2 working days of the date of Allotment.

(b) As per SEBI Guidelines, **Equity Shares will be issued and allotted only in the dematerialised form to the allottees**. Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Offer.

GENERAL INSTRUCTIONS

Do's:

a) The investor should check if he/she is eligible to apply;

b) the investor should read all the instructions carefully and complete the Bid-cum-Application Form (white in colour for the Indian public or NRIs applying on non-repatriation basis and blue in colour for eligible Non Residents, NRIs or FIIs applying on a repatriation basis),

c) The investor should ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be transferred only in dematerialised form ;

d) Investors should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the depository account is held. In case the Bid cum Application Form is submitted in joint names, investors should ensure that the depository account is also held in the same joint names and such joint names are in the same sequence in which they appear in the Bid cum Application Form.

e) The investor should ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

f) The investor should ensure that he / she have been given a TRS for all your Bid options;

g) The investor should submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS and

h) The Investor should ensure that he/she mentions his/her Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000 or more. In case neither the PAN nor the GIR number has been allotted, the investor should mention "Not allotted" in the appropriate place.

Dont's:

a) The investor should not Bid lower than the minimum Bid size;

b) The investor should not Bid/ revise Bid price to less than the lower end of the price band or higher than the higher end of the price band;

c) The investor should not Bid on another Bid-cum-Application Form after he / she has submitted a Bid to the members of the Syndicate;

d) The investor should not pay the Bid amount in cash;

e) The investor should not send Bid-cum-Application Forms by post; instead the investor should submit the same to a member of the Syndicate only;

f) The investor should not Bid at cut off price (for QIBs and non-institutional bidders);

g) The investor should not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Offer size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or the maximum amount permissible under the applicable regulations.

h) The investor should not submit a Bid accompanied with stockinvest/cash/money order.

i) The investor should not Bid if it is an OCB.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI, FII or Foreign Venture Capital Fund registered with SEBI applying on repatriation basis).

(b) Completed in full, in BLOCK LETTERS, in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of 90 Equity Shares and in multiples of 90 thereafter subject to a maximum Bid Amount of Rs. 50,000/-.

(d) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 50,000 and in multiples of 90 Equity Shares thereafter. Bids cannot be made for more than the Offer size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain the Bidders bank account details from the Depository. **These Bank Account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant.** Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation (hereinafter referred to as Demographic Details) from the Depository. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid-cum-application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, the Bidder would be deemed to authorise the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same, once sent to the address obtained from the depositories is returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason(s) therefor.

In case of Bids made pursuant to a Power of Attorney by FIIs, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason(s) therefor.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason(s) therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 mn and pension funds with minimum corpus of Rs. 250 mn, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason(s) therefor.

The Company and the Selling Shareholders,at their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid cum Application form, subject to such terms and conditions that the Company and the Selling Shareholders /the BRLMs may deem fit.

Bids by NRIs

NRI Bidders should comply with the following:

1. Individual NRI Bidders can obtain the Bid cum Application Forms from the Registered Office, the Mumbai Office, members of the Syndicate or the Registrar to the Offer.
2. NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non- Resident Ordinary (NRO) accounts shall use the Bid –cum Application Form meant for Resident Indians ([White] in color).

Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in color), and completed in full in BLOCK LETTERS, in ENGLISH and in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three).
3. NRIs, for a Bid Amount of up to Rs. 50,000, would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 50,000 would be considered under Non-Institutional Portion for the purposes of allocation; by FIIs for a minimum of such number of Equity Shares and in multiples of 90 thereafter that the Bid Amount exceeds Rs. 50,000. For further details see "Maximum and Minimum Bid Size" on page 191 of this Prospectus.
4. In the names of individuals, or in the names of FIIs or in the name of FVCIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
5. Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company and the Selling Shareholders will not be responsible for the loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Offer.

PAYMENT INSTRUCTIONS

The Company and the Selling Shareholders shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Offer.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

PAYMENT INTO ESCROW ACCOUNT

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

(ii) In case the above Margin Amount paid by the Bidders during the Bidding/Offer Period is less than the Offer Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

(iii) The payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of Resident Bidders: **"Escrow Account – GDL IPO"**

(b) In case of Non Resident Bidders: **"Escrow Account –GDL IPO-NR"**

- In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payments will not be accepted from any Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payments by drafts should be accompanied by Bank Certificate confirming that the draft has been issued by debiting to NRE or FCNR Account.
- In case of Bids by FIIs, the payment should be made from funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by Bank Certificate confirming that the draft has been issued by debiting to Special Rupee Account.

(iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account of the Company.

(v) The monies deposited in the Escrow Account of the Company will be held for the benefit of the Bidders till the Designated Date.

(vi) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of the Company as per the terms of the Escrow Agreement into the Offer Account with the Bankers to the Offer.

(vii) On the Designated Date and no later than 15 days from the Bid/Offer Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders

(viii) Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Any member of the Syndicate may, at its sole discretion, waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning the acknowledgement slip to the Bidder. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bid clearly indicates the scheme concerned for which the Bid has been made.

The Company and the Selling Shareholders reserve the right to reject, at their absolute discretion, all or any multiple Bids in any or all categories.

'Permanent Account Number' or 'PAN'

Where Bid(s) is / are for Rs. 50, 000 or more, the Bidder or in the case of an Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/ or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application form. Further, were the Bidder(s) has/have mentioned "Applied for" or "Not Applicable", the Sole/ First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filled by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules), or, Form 61 (Form of declaration to be filled by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, were applicable, the revised Form 60 or 61 as the case may be.**

Unique Identification Number – MAPIN

Under the SEBI (Central Database of Market Participants) Regulations, 2003 as amended from time to time ("MAPIN Regulations") and SEBI Notification dated November 25, 2003 and July 30, 2004, no specified intermediaries and its related persons as mentioned in Regulation 4 of the MAPIN Regulations shall subscribe to securities which are proposed to be listed on any recognized stock exchange unless such specified intermediaries and its related persons have been allotted unique identification numbers.

However, SEBI by its Notification dated August 17, 2004 has specified June 30, 2005 as the extended date within which such promoters or directors of specified intermediaries, as are resident outside India, shall obtain Unique Identification Number.

Under the MAPIN Regulations and the SEBI Notification dated July 30, 2004, no specified investor being a body corporate shall subscribe to securities which are proposed to be listed on any recognized stock exchange unless such specified investor, its promoters and directors, have been allotted unique identification numbers.

In case of a specified investor being a body corporate, the above paragraph shall not apply to such specified investor who has applied for allotment of unique identification number before December 31, 2004, until the disposal of its application or, where it has filed an appeal, until the disposal of the appeal, as the case may be.

SEBI has by press release dated December 31, 2004 bearing PR No. 344/2004 extended the notified date for the purposes of obtaining unique identification numbers for specified investors being bodies corporate whose promoters or directors are persons resident outside India to December 31, 2005.

Further, SEBI by its Circular No. MAPIN-1/2005 dated January 4, 2005 has stated that:

- **"The SEBI (Central Database of Market Participants) Regulations, 2003 were notified on November 20, 2003. Pursuant to the notification dated July 30, 2004 issued under the captioned Regulations, SEBI has, *inter alia*, specified in terms of sub-regulation (2) of regulation 6 that "All investors being bodies corporate as 'specified investors', along with their promoters and directors are required to obtain a UIN before December 31, 2004."**
- **"However, it is clarified that "wherever the President of India / Central Government / State Government is a promoter, it is exempted from the requirement of obtaining a UIN under regulation 6(2) of SEBI (Central Database of Market Participants) Regulations, 2003".**

In terms of the above it shall be compulsory for specified intermediaries and specified investors being bodies corporate making an application in this Offer to provide their unique identification number.

RIGHT TO REJECT BIDS

The Company, the Selling Shareholders and the BRLMs reserve the right to reject any Bid without assigning any reason(s) therefor in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company and the Selling Shareholders have a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected, among others, on the following technical grounds:

1. Amount paid doesn't tally with the highest number of Equity Shares bid for;
2. Age of First Bidder not given;
3. Bid by minor;
4. PAN not given if Bid is for Rs. 50,000 or more and GIR Number given instead of PAN;
5. Bids for lower number of Equity Shares than specified for that category of investors;
6. Bids at a price less than lower end of the Price Band;
7. Bids at a price more than the higher end of the Price Band;
8. Bids at Cut Off Price by Non-Institutional and QIB Bidders;
9. Bids for number of Equity Shares which are not in multiples of 90;
10. Category not ticked;
11. Multiple Bids as defined elsewhere;
12. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
13. Bids accompanied by Stockinvest / Money Order / Postal Order / Cash;
14. Signature of sole and / or joint Bidders missing;
15. Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members;
16. Bid cum Application Forms does not have Bidder's depository account details;
17. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's identity;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations (see the details regarding the same at page 191of the Red Herring Prospectus);
20. Bids by OCBs;
21. Unique Identification Number – MAPIN, not given by specified intermediaries and specified investors being bodies corporate.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares under this Offer shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Offer:

a) an agreement dated September 08, 2004 with NSDL, the Company and Registrar to the Offer;
b) an agreement dated August 18,2004 with CDSL, the Company, and Registrar to the Offer.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants i.e. either NSDL or CDSL prior to making the Bid.
b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.
c) Equity Shares allotted to a successful Bidder will be credited, in electronic form, directly to the beneficiary account (with the Depository Participant) of the Bidder
d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details of the Depository.
e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
f) The Bidder is responsible for the correctness of his or her demographic details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
g) It may be noted that Equity Shares in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
h) The trading of the Equity Shares of the Company would only be in dematerialised form for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communications in connection with Bids made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Undertaking by the Company

The Company undertakes as follows:

- that the complaints received in respect of this Offer shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for despatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Offer;
- that the refund orders or allotment advice to the NRIs or FIIs shall be despatched within the specified time;
- that no further issue of Equity Shares shall be made till the Equity Shares issued through this Prospectus are listed or until the bid monies are refunded on account of non-listing, under-subscription etc.

Undertaking by the Selling Shareholders

The Selling Shareholders undertake as follows:

- the Equity Shares being sold pursuant to the Offer for Sale are free and clear of any liens or encumbrances, and shall be transferred to the successful Bidders within the specified time;
- that the complaints received in respect of this Issue shall be attended to by the Selling Shareholder expeditiously and satisfactorily.
- the Selling Shareholder has authorized the Company Secretary and Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;
- that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allocation;
- that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by the Selling Shareholder;
- that the refund orders or allotment advice to all the successful Bidders shall be dispatched within specified time; and
- that no further offer of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Offer proceeds

The Board of Directors of the Company certify that:

- all monies received from the Fresh Issue shall be transferred to a separate bank account, other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised from Fresh Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies from the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company, indicating the form in which such unutilised monies have been invested.

The Company and the Selling Shareholders shall not have recourse to the Offer proceeds until approval for trading of Equity Shares from all the stock exchanges, where listing is sought, is received. The Company shall pay to the Selling Shareholders proceeds arising from the Offer for Sale forthwith on the same being permitted to be released in accordance with the SEBI regulations and the Companies Act, being no later than two business days after receipt of approval for trading of Equity Shares from all the stock exchanges where listing is sought.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY

The Company and the Selling Shareholders shall ensure dispatch of allotment advice, transfer advice, refund orders and give credit to the Beneficiary Account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of finalisation of allotment of Equity Shares. The Company and the Selling Shareholders shall dispatch refund orders, if any, of value up to Rs. 1,500, "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by Registered Post or Speed Post at the sole or First Bidder's sole risk.

The Company and the Selling Shareholders shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, the Company and the Selling Shareholders further undertake that:

1. allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Offer Closing Date;
2. dispatch refund orders within 15 (fifteen) days of the Bid/Offer Closing Date would be ensured; and
3. the Company and, in case of allotment, the Selling Shareholders shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

STATUTORY AND OTHER INFORMATION

Consents

Consents in writing of: (a) the Directors, the Company Secretary, the Auditors, Legal Advisor, Bankers to the Company, Escrow Collection Banks and Bankers to the Offer; and (b) Book Running Lead Managers to the Offer, Syndicate Members and Registrars to the Offer, to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the RoC as required under Section 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Price Waterhouse, chartered accountants, the statutory auditors of the Company have given their written consent to the inclusion of their report in the form and context in which it appears in the Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Prospectus for registration to the RoC.

Rakesh Garg & Associates, chartered accountants, have given their written consent to the tax benefits accruing to the Company and its members in the form and context in which it appears in the Prospectus and has not withdrawn the same up to the time of delivery of the Prospectus for registration to the RoC.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Fresh Issue amount including devolvement of the Syndicate, if any, within 60 days from the Offer Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest @ 15% per annum.

If the number of allottees in the proposed Offer is less than 1,000, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after the Company becomes liable to pay the amount, the Company shall pay interest at the rate of 15% per annum for the delayed period.

Method of Redressal of Investor Grievances

See the Section titled "Other Regulatory Disclosures - Mechanism Evolved for Redressal of Investor Grievances" on page 183 of this Prospectus.

Expert Opinion

Save as stated elsewhere in the Prospectus, the Company has not obtained any expert opinions.

Changes in Auditors during the last three years and reasons thereof

There has been no change in the statutory auditors of the Company in the last three years.

Basis of Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this portion. The allotment to all the successful Retail Individual Bidders will be made at the Offer Price.
- The Offer size less allocation to Non-Institutional and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Offer at a price that is equal to or greater than the Offer Price.
- If the aggregate demand in this category is less than or equal to 5,250,000 Equity Shares at or above the Offer Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 5,250,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis up to a minimum of 90 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer section titled 'Method of Proportionate basis of allocation in the Retail and Non Institutional portions'.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this portion. The allotment to all successful Non-Institutional Bidders will be made at the Offer Price.
- The Offer size less allocation to QIB Bidders and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Offer at a price that is equal to or greater than the Offer Price.
- If the aggregate demand in this category is less than or equal to 5,250,000 Equity Shares at or above the Offer Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 5,250,000 Equity Shares at or above the Offer Price, allocation shall be made on a proportionate basis up to a minimum of 90 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer section titled 'Method of Proportionate basis of allocation in the Retail and Non Institutional portion.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Offer Price shall be grouped together to determine the total demand under this portion. The allocation to all QIB Bidders will be made at the Offer Price.
- The Offer size less allocation to Non-Institutional Portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Offer at a price that is equal to or greater than the Offer Price.
- The allocation would be decided by the Company in consultation with the BRLMs, based on various factors, such as quality of the Bidder, size, price and date of the Bid.
- The aggregate allocation to QIB Bidders shall not be more than 10,500,000 Equity Shares.

Method of Proportionate basis of allocation in the Retail and Non Institutional portions

Bidders will be categorized according to the number of Equity Shares applied for by them.

(a) The total number of Equity Shares to be Allotted to each portion as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that portion (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that portion multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate Allotment is less than 90 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 90 Equity Shares; and
- The successful Bidders out of the total Bidders for a portion shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that portion is equal to the number of Equity Shares calculated in accordance with (b) above;

and

If the proportionate allotment to a Bidder is a number that is more than 90 but is a fraction, the fraction would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any portion are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other portion, where the Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that portion. The balance Equity Shares, if any, remaining after such adjustment will be added to the portion comprising Bidders applying for minimum number of Equity Shares.

Expenses of the Offer

The expenses of the Offer payable by the Company inclusive of brokerage, fees payable to the BRLMs, Syndicate Members, other advisors to the Offer, fees of legal advisors, stamp duty, printing, publication, advertising and distribution expenses, bank charges, fees payable to the Registrars to the Offer, listing fees and other miscellaneous expenses is estimated to be approximately 4% of the Offer size.

Fees Payable to the Book Running Lead Managers

The total fees payable to the BRLMs will be as per the terms of appointment letter, offered by the Company. A copy of the terms of appointment letter and the memorandum of understanding signed amongst the Company and the BRLMs is available for inspection at the registered office of the Company.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the Registered Office of the Company.

The Registrar will be reimbursed for all relevant out-of-pocket expenses including cost of stationery, postage, stamp duty, communication expenses etc. Adequate funds will be provided to the Registrar to the Offer to enable them to send refund orders or allocation advice by registered post/ Speed Post. Refund orders up to Rs. 1,500/- would be sent under Certificate of Posting.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for the Offer is as set out in the Syndicate Agreement amongst the Company, the BRLMs and Syndicate Members.

The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Offer Price and amount underwritten in the manner mentioned elsewhere in the Prospectus.

Commission and Brokerage on Previous Offers

Except as stated elsewhere in the Prospectus, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

Outstanding Debenture or Bond Offers

As of date, the Company does not have any outstanding debenture or bond offers.

Previous rights and public issues

The Company has not made any previous public or rights issues either in India or aboard in the five years preceding the date of this Prospectus.

Outstanding Preference Shares

As of date, the Company does not have any outstanding preference shares.

Capitalisation of Reserves or Profits

Save as disclosed in this Prospectus, the Company has not capitalised its reserves or profits at any time since its inception.

Issue of Shares otherwise than for Cash

The Company has not issued any Equity Shares for consideration otherwise than for cash.

Option to Subscribe

Equity shares being issued through this Prospectus can be applied for only in dematerialised form.

Purchase of Property

No property which the Company has purchased or acquired or propose to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of this Prospectus, other than property in respect of which:

- the contracts for the purchase or acquisition were entered into in the ordinary course of the business, and the contracts were not entered into in contemplation of the Offer nor is the Offer contemplated in consequence of the contracts; or
- the amount of the purchase money is not material.

Except as elsewhere stated in this Prospectus, the Company has not purchased any property in which any of its promoters and/ or Directors, have any direct or indirect interest in any payment made therefor.

Terms of Appointment of Directors & their Remuneration

Mr. Prem Kishan Gupta, Deputy Chairman & Managing Director

Mr. Prem Kishan Gupta was appointed as the Managing Director of the Company for a period of five years with effect from July 20, 2001 in accordance with the resolution passed in the AGM of Gateway Distriparks Limited held on September 27, 2001.

In accordance with the resolution passed at the Extra-ordinary General Meeting of Gateway Distriparks Limited held on June 16, 2004, Mr. Prem Kishan Gupta, Managing Director, is entitled to commission as per the terms and conditions set out below:

Commission : Such amount not exceeding five percent of the net profits of the Company (calculated in accordance with the provisions of Sections 349 and 350 of the Act) for the financial year concerned.

Commission amounting to Rs. 0.85 mn was paid to Mr. Prem Kishan Gupta for the financial year ended March 31, 2004.

Other Directors

At the EGM of Gateway Distriparks Limited held on June 16, 2004, it was resolved to pay such amount not exceeding 1% of the net profits of the Company (calculated in accordance with the provisions of Sec 349 & 350 of the Act.) for the financial year to all, some or any of the Non whole-time directors, as may be decided by the Board of Directors.

In the Board meeting held on June 16, 2004, it was decided to pay Mr. Gopinath Pillai, Chairman and Mr. Shabbir Hassanbhai an amount of Rs.1.25 mn and Rs. 0.65 mn as commission, for the financial year ended March 31, 2004

The independent Directors on the Board are entitled to sitting fees of Rs. 5000/- each per board meeting and committee meeting attended, apart from actual boarding and lodging expenses. The independent directors may also be paid commission and any other amounts as may be decided by the Board in accordance with the provisions of the Companies Act and any other applicable Indian laws and regulations.

Interest of Promoters and Directors

Except as stated in “Related Party Transactions” on page 154 of the Prospectus, the Promoters, the Directors, do not have any interest in the Company’s business except to the extent of investments made by them in the Company and earning returns thereon.

Borrowing Powers of Directors

The Shareholders have empowered the Board of Directors to borrow up to the limit of Rs.1000 mn vide General meeting resolution dated September 09, 2004.

Revaluation of Assets

The Company has not revalued any of the Company’s assets since its inception.

Classes of Shares

The Company’s authorised capital is Rs.900 mn, which is divided into 90 mn Equity Shares of Rs. 10 each.

Payment or Benefit to Promoters or Officers of the Company

Except as stated otherwise in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Promoters or officers except the normal remuneration for services rendered as Directors, officers or employees.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

CAPITAL, INCREASE AND REDUCTION IN CAPITAL

Article 5

The Authorised Capital of the Company is Rs. 90,00,00,000/- (Rupees Ninety Crores only) divided into 9,00,00,000 (Nine Crores) Equity Shares of Rs.10/- (Ten only) each. The Company in General Meeting may, from time to time, increase the capital by the creation of new Shares, such increase to be of such aggregate amount and to be dividend into Shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine and in particular, such Shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with the applicable provisions of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Board shall comply with the provisions of Section 97 of the Act.

Article 5A

Subject to the provisions of Section 79A and other applicable provisions, if any of the Companies Act, 1956 and subject to the rules, regulations, clarifications and guidelines may be issued by the Central Government and/ or any other regulatory authorities in this regard, from time to time, the company may offer Employees Stock Options to employees and directors of the Company, on such terms and conditions and for such consideration or otherwise as may be approved by the Members from time to time.

Article 6

Subject to the provisions of the Act and these Articles, the shares (including any shares forming part of any increased capital of the Company) in the capital of the company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Article 7

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Article 11

Subject to the provisions of these Articles and Sections 78, 80 and 100 to 105 (both inclusive), of the Act, the Company may from time to time, by Special Resolution, reduce its capital and any Capital Redemption Reserve Fund or other Premium account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

Article 12

Subject to the provisions of these Articles and Section 94 of the Act, the Company in General Meeting may from time to time, consolidate and divide or sub-divide its Shares, or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division one or more of such Shares shall have some preference or special advantage with regards dividend, capital or otherwise over or as compared with the others or other.

Subject as aforesaid the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled.

Article 13

Whenever the Capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such meeting. This article is not to derogate from any power the Company would have if this Article were omitted.

UNDERWRITING AND BROKERAGE

Article 25

Subject to the provisions of Sections 76 of the Act the Company may at anytime pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolute or conditional) for any Shares and debentures in the Company, but so that the commission shall not exceed in case of the Shares 5% of the price at which the Shares are issued and in the case of debentures 2.5% of the price at which the debentures are issued. Such commission may be satisfied by the payment of cash or by allotment of fully or partly paid Shares partly in one way and partly in the other.

Article 26

The Company may pay a reasonable sum for brokerage.

CALLS

Article 28

The Directors may, from time to time, subject to the terms on which any Shares, may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the Shares held by them respectively, and not by the conditions of allotment thereto made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.

Article 30

A call is deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Article 34

If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the Share in respect of which the call shall have been made or the instalments shall be due, shall pay interest for the same at the rate of 12 (Twelve) per cent per annum from the day appointed for the payment thereof to the actual payment thereof at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part.

Article 36

The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the Shares held by him beyond the sums actually called for, and upon the moneys so paid or satisfied in advance, or so much thereof as, from time to time, exceeds the amount of call then made upon the Share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, at the rate of nine per cent per annum or at such other rate as the Directors' may determine and on the member paying such sum as advance and the Board agreeing upon. The money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amounts so advanced upon giving such member not less than three months notice in writing.

FORFEITURE AND LIEN

Article 38

If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, that may have been incurred by the Company by reason of such non-payment.

Article 39

The notice shall name a day (not being less than 30 (Thirty) days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place or places appointed, the Shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

Article 40

If the requirement of any such notice as aforesaid be not complied with, any Shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect, such forfeiture shall include all dividends declared in respect of the forfeited Shares not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member of the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Share as herein provided.

Article 41

When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Article 42

Any Share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose off either to the original holder thereof or to any other person upon such terms and in such manner as they think fit.

Article 43

The Directors may, at any time before any Share so forfeited shall be sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions, as they think fit.

Article 44

Any member whose Shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses, owing upon or in respect of Shares, at the time of all instalments interest on the forfeiture together with interest thereupon, from the time of the forfeiture until payment, at 12 (Twelve) per cent per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction of allowance for the value of Shares at the time of forfeiture but shall not be under any obligation to do so.

The liability of such person shall cease if and when the company shall have received payment in full of all such moneys in respect of the Shares.

Article 45

The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of the issue of the Share, become payable at a fix time whether on account of the nominal value of Share or by way of the premium, as if the same had been payable by virtue of a call duly made and notified.

Article 46

The forfeiture of a Share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the Share, and all other rights incidental to the Share except only such of those rights as by these Articles are expressly saved.

Article 48 A

The Company shall have a first and paramount lien upon all shares and/or debentures (other than fully paid-up shares) registered in the name of each member whether solely or jointly with others and upon the proceeds of sale thereof, for all monies including his debts, liabilities and engagements solely or jointly with any other person to or with the Company (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any such share shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time, declared in respect of such shares. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

Article 49

For the purpose of enforcing such lien, the Directors may sell the Shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his legal representative committee, curator boons or other person recognised by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residual (if any) be paid to such member, his executors, administrators or other representatives or persons so recognized as aforesaid.

Article 51

Where the Directors in that behalf herein contained sell any Shares under the powers and the certificate thereof has not been delivered to the Company by the former holders of the said Shares the Directors may issue new certificate in lieu of certificate not so delivered.

Article 52

Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same on demand by the Company have been previously surrendered to it by the defaulting Member) be null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

Article 55

Subject to the provisions of the Act, no transfer of Shares shall be registered unless a proper instrument of transfer, in the form prescribed under Rule 5A of the Companies (Central Government's) General Rules and Forms, 1957, duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company together with the certificate or certificates of the Shares, or if no such certificate is in existence along with the letter of allotment of Shares. The instrument of transfer of any Shares shall be signed both by or on behalf of the transferor and by or on behalf of transferee and the transferor shall be deemed to remain the holder of such Shares until the name of the transferee is entered in the Register in respect thereof.

Article 58

The Board, of Directors, after assigning reasons, may within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a Share upon which the Company has a lien and, in the case of a Share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve.

Provided that the registration of a transfer of Share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company or any account whatsoever except when the Company has a lien on the shares. Transfer of shares / debentures in whatever lot shall not be refused.

Article 61

If the Directors refuse to register the transfer of any Shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer, notice of such refusal.

Article 65

The executors or administrators or the holder of a succession certificate in respect of Shares of a deceased member (not being one of several joint-holders) shall be the only person whom the Company shall recognise as having any title to the Shares registered in the name of such member and, in case of the death of any one or more of the joint-holders of any registered Shares the survivors shall be only persons recognised by the Company as having any title to or interest in such Share but nothing contained herein shall be taken to release the estate of a deceased joint holder from any liability of Shares held by him jointly with any other person. Before recognising any legal representative or heir or a person otherwise claiming title to the Shares the Company may require him to obtain a grant of probate or letters of administration or succession certificate, or other legal representation, as the case may be from a competent Court, provided nevertheless that in any case where the Board in its absolute discretion think fit it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

Article 67

1) Any person becoming entitled to a Share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect, either: -

   to be registered himself as holder of the Share; or

   to make such transfer of the Shares as the deceased or insolvent member could have made.

2) The Board shall, in either case have the same right to decline or suspend registration, as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.

Article 69

A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled to if he were the registered holder of the Share, except that he shall not, before being registered as a member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

BORROWING POWERS

Article 86

Subject to the provisions of Section 292 and 293 of the Act and these Articles the Board may from time to time at its discretion by resolution passed at a meeting of the Board accept deposits from members, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the Company. Provided however where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary, course of Business) exceed the aggregate of the paid up capital of the company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the

Company in General Meeting. Nevertheless no lender or other person dealing with the company shall be concerned to see or inquire whether this limit is observed.

Article 89

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or part of the property of the Company (both present and future), including its uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.

GENERAL MEETINGS

Article 104

In the case of equality of votes the Chairman shall both on a show of hands and a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Article 106

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting. The Annual General Meeting shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred on the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the company or at some other place within the City in which the Office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited Statement of Accounts, the Proxy Register with proxies and the Register of Directors' Share holding which Register shall remain open and accessible during the continuance of the Meeting. An Annual Return and Balance Sheet and Profit and Loss Account shall be filed with the Registrar of companies, in accordance with Sections 159, 161 and 220 of the Act.

Article 112

A quorum for all general meetings of Shareholders shall be five (5) members including representatives of the Thakral Group, the Windmill Group, PHL or NTSC being not more than two in number and a representative of IDFC, and all resolutions of the Shareholders shall, except as provided in Article 116 or unless otherwise prescribed by law, be carried by a simple majority of votes cast.

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

Article 116

Notwithstanding the provisions of Article 112, none of the matters hereinafter mentioned shall be undertaken by the Company unless a resolution is first passed with respect thereto, with the affirmative votes of members holding between them atleast seventy five percent (75%) of the paid up Shares of the Company: -

1) alteration of the Memorandum and Articles including an alteration in respect of the capital structure of the Company;
2) any change in the Business, or undertaking any business other than the Business;
3) any diversification, modernisation or substantial expansion in the Business;
4) the setting up of any subsidiary, or acquisition or disposal of any subsidiary or of any Share in any subsidiary;

5) a public issue of Shares with a view to obtaining the listing of the Company on any stock exchange;

6) any issue of the un-issued Shares out of the authoriszed capital of the Company, creation or issue of new Shares or the grant of options over such Shares;

7) the increase, decrease, sub division, consolidation, classification, re-classification, issue, allotment, redemption, purchase or options over or other changes in the capital of the Company;

8) the reduction or alteration of any of the rights attached to any of the issued Shares;

9) the capitalization of profits and issue of bonus Shares, the declaration of dividends, distribution of profits and assets;

10) the issue of debentures or other securities convertible into Shares or of any Share warrants or any option in respect of Shares;

11) any change in the number of Directors;

12) participation in any scheme for its reconstruction, merger or amalgamation;

13) the merger with or takeover of any other Business or the acquisition of other businesses (by way of share purchase, business transfer, slump sale or any other mode of acquiring a business), creation of joint ventures/partnerships (other than in the usual course of business), purchase of or subscription to any Shares, debentures, mortgages of securities (or any interest therein) of any company, trust or other body;

14) any resolution to wind up the Company;

15) termination of the Amended and Restated Shareholders Agreement;

16) the creation of any fixed or floating charge, lien (other than a lien arising by operation of law), mortgage, pledge or other encumbrance over the whole or any part of the undertaking, property or assets of the Company except for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary and proper course of the Business;

17) the borrowing of money/assumption of indebtedness by the Company, whether secured or otherwise, of any amount, (except raising of unsecured loans, overdrafts, cash credit or other facilities from banks or trade indebtedness in the ordinary course of business);

18) the merger, sale, transfer, leasing, assigning or otherwise disposing of the whole or substantially the whole or a material part of the undertaking, property and/or assets of the Company or any contract to do so otherwise than in the ordinary course of the Business;

19) any proposal to make loans or provide guarantees, or otherwise extend or pledge credit to others, and investments by way of deposits and subscription to debentures, except endorsements and extensions of credit in the ordinary course of operations of the Company (except normal trade guarantees or temporary loans and advances granted to staff or contractors or suppliers and temporary deposits placed with banks or others in the ordinary course of business);

20) the granting or variation of the emoluments of any Director; or

21) appointment (except for the first financial year) or removal of the Auditors of the Company, both internal and statutory;

22) any advance of monies on behalf of or guaranteeing or indemnifying of the indebtedness/liabilities of any person including any related corporation and the Shareholders of the Company or any other person save for in the ordinary course of the Business of the Company.

Article 117

At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the Meeting or by any member or members present in person or by proxy and holding not less than one tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding Shares in the Company conferring a right to vote on the resolution being Shares on which an aggregate sum of not less than Rs.50,000/- has been paid-up, and unless a poll so demanded, a declaration by Chairman that a resolution has on a show of hands been carried on unanimously, or by a particular majority, or lost, and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution. In the event of an equality of votes, the Chairman shall both on a show of hands and a poll, if any, have a second or casting vote in addition to the vote or votes to which he may be entitled as a members.

Votes of Member

Article 122

(1) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares or as a duly authorised representative of a body corporate being a holder of Equity Shares, if he is not entitled to vote in his own rights, shall have one vote.

On a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act.

The voting rights of the holders of the Preference Shares including the Redeemable cumulative Preference Shares shall be in accordance with the provisions of section 87 of the Act.

No Company or body corporate shall vote by proxy so long as a resolution of Board of Directors under Section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.

Article 131

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right or lien.

Article 132

All instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and every adjourned meeting thereof or for every meeting of the Company to be held before a date not being later than twelve months from the date of the instrument specified in the instrument and every adjournment of every such meeting.

Article 133

No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered and every vote, whether given personally by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.

Article 134

The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS GENERAL PROVISIONS

Article 135

The number of Directors shall not exceed twelve (12). Each of the Shareholders shall be entitled to nominate such number of Directors to the Board as set out in Article 135A or such other number as they may mutually agree

Composition of Board of Directors

Article 135 A

The Board shall consist of:

Two (2) persons nominated by TG for the time being as Directors;

Two (2) persons nominated by PHL for the time being as Directors;

Two (2) persons nominated by WG for the time being as Directors;

Two (2) persons nominated by NTSC for the time being as Directors;

One (1) person nominated by ARANDA for the time being as Director;

Two (2) persons nominated by IDFC for the time being as Directors; and

Brig. Gen. (Retd.) Kirpa Ram Vij or any other person, duly appointed by the Board.

Provided that, following the IPO and the public listing of the shares of the Company in accordance with Article 53(B0), the Board shall consist of such number of independent directors as may be required under applicable law and to facilitate their appointment, each of TG, PHL, WG, NTSC, IDFC and ARANDA shall have the right to appoint only one (1) director on the Board.

The right of nomination conferred on a Shareholder under the hereinabove shall include the right of that Shareholder to require substitution of the person nominated by that Shareholder by another nominee. The Director(s) nominated by IDFC shall not be liable to retire by rotation.

Article 139

A Director shall not be required to hold any qualification Shares.

Article 140

The sitting fees payable to Director for attending a meeting of the Board or a Committee of the Board or a General Meeting shall be decided by the Board of Directors, from time to time, within the maximum limits of such fees prescribed under the applicable provisions of law.

Article 141

The directors may be paid all traveling, hotel and other expenses properly incurred by them-

i. in attending and returning from meeting of the Board of Directors or any committee thereof or general meetings of the company, or

ii. in connection with the business of the company.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Article 152

The Chairman of the Board of Directors shall be appointed by TG, PHL and WG from the Directors as shall be determined and agreed upon amongst TG, PHL and WG so long as they shall together hold not less then twenty percent (20%) of the Share Capital of the company.

Provided that in the event of listing of Shares in a stock exchange as referred to in Article 53B, the Chairman shall be appointed by TG, PHL and WG from among their nominee Directors as shall be determined and agreed upon among TG, PHL and WG so long as they shall, together hold, not less than twenty percent (20%) of the paid up capital of the Company after the Company shall have been so admitted to the official list of the Stock Exchange.

Article 157

Save as hereinafter otherwise provided, a quorum shall be one half of its total strength including a representative of IDFC or its alternate.

Article 158

If within half (½) an hour of the time appointed for the holding of a meeting of the Board the quorum specified in Article 157 is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting the quorum is not present, any four (4) Directors present including any two Directors of the Thakral Group, the Windmill Group, the PHL Group or the NTSC Group, shall constitute the quorum.

Article 160

A resolution to be carried by the Board must be approved by a majority of the votes cast. In case of an equality of votes the Chairman shall have a second or casting vote. Subject to Section 292 of the Act, a resolution signed by the majority of the Directors for the time being including one Director representing each of the Sponsors and IDFC shall be as valid and effectual as if it were a resolution passed at a meeting of the Board duly convened and held. For the purpose of this Clause, "in writing" and "signed" include approval by facsimile/ electronic mail followed by a signed copy.

Article 163

Notwithstanding the provisions of Article 161, none of the matters hereinafter mentioned shall be resolved upon by the Board unless a resolution shall be passed with respect thereto with the assenting votes of at least three fourths of the Directors, including IDFC:

1. the creation of any fixed or floating charge, lien (other than a lien arising by operation of law), mortgage, pledge or other encumbrance over the whole, or any part of the undertaking, property or assets of the Company or for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary and proper course of the Business;

2. the borrowing of money/assumption of indebtedness by the Company, whether secured or otherwise, of any amount, (except raising of unsecured loans, overdrafts, cash credit or other facilities from banks or trade indebtedness in the ordinary course of business);

3. the payment of any interim dividend or recommendation for the payment of a final dividend;

4. the entering into any contract, arrangement or commitment involving expenditure on capital account if the amount of such expenditure by the Company;

   i. is not included in the approved annual budget and business plan of the Company;

   ii. would exceed Singapore Dollars Five Hundred Thousand (S$ 500,000) or its equivalent in Indian Rupees in any one year or for any one project. For the purpose of this paragraph, the aggregate amount payable under any agreement for hire, hire purchase or purchase on credit sale or conditional sale terms shall be deemed to be capital expenditure incurred in the year in which such agreements are entered into;

5. any investment, acquisition of properties and/or assets in any manner whatsoever including by way of out right purchase, lease or hire purchase other than in the ordinary course of business in excess of Singapore Dollars Fifty Thousand (S$ 50,000) or its equivalent in Indian Rupees;

6. the giving of any guarantee or indemnity to secure the liabilities or obligations of any person including any related corporations of the Company (and the Shareholders);

7. the taking or agreement to take any leasehold interest in or license over any land;

8. the entering into any partnership, joint venture or profit sharing agreement with any person;

9. the setting up of any new undertaking by the Company other than the Business;

10. the determination of the limits of financial authority in respect of and in connection with the day-to-day operations of the Company;

11. the approval of fees payable to any Shareholder;

12. the approval of the annual budget and business plan of the Company;

13. the appointment of any employee or consultant earning a total compensation package of more than Singapore Dollars One Hundred Thousand (S$ 100,000) or its equivalent in Indian Rupees per annum or any increase in the compensation package of any employee or consultant which would result in their total compensation package exceeding such an amount;

14. any advance of monies to or guarantee of the indebtedness of any related corporation of the Company or any other person save for in the ordinary course of the Business of the Company;

15. any proposal to acquire by purchase, lease or otherwise of any immovable property;

16. any proposal to set up or acquire subsidiary / companies.

DIVIDENDS

Article 191

The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of the Act fix the time for payment.

Article 192

No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

Article 193

(a) No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend of a guarantee given by that Government, provided that:

i. if the company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profit of any other previous financial year or years.

ii. if the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year the dividend is proposed to be declared or paid or against profits for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

(b) Notwithstanding anything contained in sub-clause (a)(i) hereof no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for that year arrived at after providing for -depreciation in accordance with the provisions of sub-clause (d)(i) hereof except after the transfer to the reserves of the Company of such percentage of its profits for that year which shall be not exceeding ten per cent.

Provided that nothing in this clause shall be deemed to prohibit the voluntary transfer by the company of a higher percentage of its profits to the reserves in accordance with such rules as may be prescribed the Central Government in his behalf.

(c) Not Used

(d) Where owing to inadequacy or absence of profits in any year the Company proposes to declare dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and where any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.

Article 195

The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Article 196

The director may retain any dividends on which the Company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to Section 205A of the Act.

Article 197

A transferor of Shares shall not pass, the rights to any dividend declared thereon before the registration of the transfer.

Article 198

Subject to Section 205A of the Act, the directors may retain the dividends payable upon Shares in respect of which any person is by virtue of transmission under the Articles entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.

Article 199

Any one of the several persons who are registered as joint holders of any Share may give effectual receipts of all dividends payments in respect of such Shares.

Article 203

Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or participate in profits.

Article 204

All dividends shall be apportioned and paid proportionately to the amounts paid-up on the Shares during any portion or portions of the period in respect of which dividend is paid but if any Share is issued on terms providing that it shall rank for dividends as from a particular date, such Share shall rank for dividend accordingly.

Article 205

No member shall be entitled to receive payment of any interest or dividend in respect of his Share, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Board may deduct from, the interest or dividend payable to any Member all sums of monies so due from him to the Company.

Article 206

(a) Where the dividend has been declared but not paid but the warrant in respect thereof has not been posted, within thirty days from the date of the declaration to any shareholder entitled to the payment thereof, the Company shall within seven days from the date of expiry of the said period of thirty days transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of thirty days to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called "Unpaid Dividend Account of the Company;

(b) Any money transferred to the unpaid dividend account of the Company in pursuance of Clause (a) hereof which remains unpaid or unclaimed for a period for three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government, or such other fund or account as may be specified under the Companies Act, 1956 or by the Central Government from time to time. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due;

(c) No unclaimed or unpaid dividend shall be forfeited by the Board.

Article 208

Any General meeting declaring dividend may on the recommendation of the Directors make a call on the member of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members, be set off against the calls.

CAPITALISATION

Article 209

a) The Company in general meeting may, upon the recommendation of the Board resolve -

   i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

   ii. that such sum be accordingly set free for distribution in the manner specified in clause (i) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards

   i. paying up any amounts for the time being unpaid on any Share held by such members respectively;

   ii. paying up in full, unissued Shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or

   iii. partly in the way specified in sub-clause (i) and partly in the way specified in sub-clause (ii)

c) A Share premium account and [a capital redemption reserve account] may, for the purposes of these Articles, only be applied in the paying up of unissued Shares to be issued to members of the company as fully paid bonus Shares.

d) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

Article 210

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall -

   i. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares if any; and

   ii. generally do all acts and things required to give effect thereto

(b) The Board shall have full power -

   i. to make such provision, by the issue of functional certificates or by payment in cash or otherwise, as it thinks fit, for the case of Shares or debentures becoming distributable in fractions; and also

   ii. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing Shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

SECRECY

Article 229

Subject to the provisions of law of the land and the Act, no member or other person (not being a director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the directors, or subject to Article 126 to require discovery or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the Business and which, in the opinion of the directors will be inexpedient in the interest of the members of the Company to communicate to the public.

Article 230

Every Director, Manager, Auditor, Trustee, member of a committee, Secretary, Treasure, Officer, Servant, agent, accountant or other person employed in the Business shall, if so required by the directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

WINDING UP

Article 231

If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the Shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the paid-up capital, at the commencement of the Winding-up or which ought to have been paid-up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

Article 232

a. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidators shall think fit, but so that no member shall be compelled to accept any Shares or other securities whereon there is any liability.

INDEMNITY AND RESPONSIBILITY

Article 233

Subject to the provisions of Section 201 of the Act, every director, manager, secretary and other officer or employee of the Company, shall be indemnified against and it shall be the duty of the Directors to pay out of the funds of the Company all bona fide costs, losses and expenses (including traveling expenses) which any such directors, manager or secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions, against all bona fide liabilities incurred by him or by them as such director, manager, secretary, officer or employee in defending any proceeding whether civil or criminal in which judgment is given to his or their favour or he or they is or are acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

Article 234

Subject to the provisions of the Act and so far as such provisions permit, no Director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss occasioned by any error of judgment, omission, default, or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to below (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years prior to the date of this Prospectus) which are or may be deemed to be material have been entered into by the Company. Copies of these contracts, together with the copies of the documents referred to below, all of which have been attached to a copy of this Prospectus, which has been delivered to the RoC may be inspected at the CFS Mumbai office of the Company situated at Container Freight Station Sector 6, Dronagiri, Taluka Uran, District Raigad, Navi Mumbai - 400 707 from 10.00 a.m. to 4.00 p.m. on any working day of the Company from the date of the Red Herring Prospectus until the date of closing of the subscription list.

Material Contracts

1. Letter dated April 30, 2004 from the Company appointing IIL and Kotak as the BRLMs, and their acceptance thereto.
2. Memorandum of Understanding between the Company, the Selling Shareholders, IIL and Kotak dated November 30, 2004.
3. Memorandum of Understanding between the Company and Intime Spectrum Registry Limited dated July 30, 2004.
4. Escrow Agreement dated March 8, 2005 between the Company, the BRLMs, Banks, and the Registrar to the Issue.
5. Syndicate Agreement March 8, 2005 between the Company, the BRLMs and Syndicate Members.
6. Underwriting Agreement dated March 15, 2005 between the Company, the BRLMs and Syndicate Members.

Material Documents

1. The Memorandum and Articles of Association of the Company, as amended from time to time.
2. Certificate of Incorporation of the Company dated April 06, 1994.
3. Certificate of Commencement of Business dated October 24, 1994.
4. Copy of the resolution dated March 18, 2004 passed under Section 81(1A) of the Companies Act.
5. Copy of the resolution dated June 16, 2004 passed by the Board approving the Offer for Sale.
6. Copies of the resolutions passed by the Selling Shareholders authoriszing the sale of Equity Shares in the Offer for Sale.
7. Copies of the resolutions dated May 26, 2004 passed by the Board approving the appointment of BRLM and other agencies related to the Issue and other related matters.
8. Copy of the resolution dated June 16, 2004 passed by the Board for appointment of Intime Spectrum Registry Limited as the Registrar to the Offer.
9. Consents of Directors, Auditors, Legal Advisor, BRLMs, Syndicate Members, Registrar to the Offer, Bankers to the Offer, Bankers to the Company, Company Secretary and Compliance Officer as referred to in their respective capacities.
10. Auditor’s report dated February 11, 2005 prepared as per Indian GAAP and referred to in the Prospectus and copies of balance sheet and profit and loss account of the Company referred to therein.
11. Annual Reports of the Company for the last five Financial Years.
12. Copy of the resolution dated June 16, 2004 passed at the Annual General Meeting appointing Price Waterhouse, Chartered Accountants, as statutory auditors for the year 2004-2005.
13. Consent dated May 14, 2004 from Price Waterhouse, Chartered Accountants, for inclusion of their reports on accounts in the form and context in which they appear in the Prospectus.
14. A copy of the tax benefit report dated October 11, 2004 from Rakesh Garg & Associates, Chartered Accountant.
15. Powers of Attorney executed by the Directors in favour Mr. Prem Kishan Gupta for signing and making necessary changes to this Prospectus.
16. Powers of Attorney executed by the Selling Shareholders in favour of the Company for signing and making necessary changes to this Prospectus.

17. Copies of the resolutions of the Board dated June 16, 2004 for the formation of the Company's Audit Committee, Remuneration Committee and Investor Relationship Committee.
18. Copy of the resolution of the members of the Company passed at the AGM held on September 27, 2001 re-appointing Mr. Prem Kishan Gupta as the Managing Director of the Company and approving the remuneration payable to him.
19. Copies of the applications made to the BSE and the NSE.
20. In-principle approval dated December 29, 2004 for listing from the BSE and in-principle approval dated January 17, 2005 for listing from the NSE.
21. Tripartite agreement between the Company, NSDL and Intime Sepctrum Registry Limited dated September 08, 2004.
22. Tripartite agreement between the Company, CDSL and Intime Sepctrum Registry Limited dated August 18, 2004.
23. Subscription Agreement between the Company and IDFC dated July 06, 2001.
24. Buy back agreement dated July 06, 2001 between IDFC, TCL, PHL, WIPL, PIPL, Mr. P.K. Gupta and the Company.
25. Undertaking dated July 06, 2001 in favour of IDFC executed by TCL, TIHML, PHL, WIPL, KSPLL, PIPL, Mr. P.K. Gupta and Mrs. Mamta Gupta.
26. Share Purchase Agreement dated June 16, 2004 between TCL, WIPL, PHL, PIPL, Mr. P.K. Gupta, IDFC and Aranda.
27. Amended and Restated Shareholders Agreement dated October 28, 2004 between TCL, TIHML, PHL, WIL, KSPLL, PIPL, Mr. P.K. Gupta, IDFC, Aranda and the Company.
28. Share Purchase Agreement dated Novmeber 30, 2004 between the Company, Madanlal J Hinduja, Rajendra J Hinduja, Dinesh J Hinduja, S. Xavier Britto and Indev Warehouse and Container Services Private Limited.
29. Deed of Novation dated November 30, 2004 between the Company, Madanlal J Hinduja, Rajendra J Hinduja, Dinesh J Hinduja, S. Xavier Britto and Indev Warehouse and Container Services Private Limited.
30. Bridge Loan Agreement with IDFC dated November 30, 2004.
31. Term Loan Agreement and Deed of Hypothecation dated March 29, 2004 between the Company and Development Bank of Singapore, State bank of Mauritius, Global Trust Bank and HDFC Bank.
32. Loan Agreement and Deed of Hypothecation dated December 24, 1999 between the Company and IDFC.
33. Lease Deed dated August 26, 1997 executed by CIDCO in favour of the Company.
34. Agreement to Lease dated November 29, 2001 between CIDCO and the Company.
35. Sale deeds pertaining to the purchase of property situated at Garhi Harsaru.
36. Certificate from BVQI to the Company dated January 19, 2004 for grant of ISO 9001:2000.
37. Joint Venture Agreement dated August 31, 2004 between the Company and the Suri group.
38. Memorandum of Understanding dated December 03, 2003 between the Company and Pipavav Rail Corporation Limited.
39. Approval dated December 31, 2004 from FIPB and RBI Approval Letter No. CO/FID/5606/10.1.07.02.200(657)/2004-05 dated February 24, 2005 for transfer of 10,000,000 equity shares of Rs. 10/- each of the Company form existing shareholders to non-resident under public offer.
40. Approval No. 2004/TT – V 10/ GDL Ltd /NR/23 dated January 5, 2005 from the Railways Board, Ministry of Railways , Government of India ganting rail transport clearance for moving certain commodities from the private siding at ICD, Garhi Harsaru.
41. Approval No. 508-W/I/12/W-V dated February 2, 2005 from the Northen Railways sanctioning work for provision of a rialway siding at Garhi Harsaru.
42. Approval No. 16/20/2004-Infra-I dated February 10, 2005 from Ministry of Commerce and Industry for setting up a CFS at Vishakapatnam.
43. Opinions on the tax holiday from Bansi S. Mehta & Co., Chartered Accuontants and Mr. Sohrab E. Dastur, Senior Advocate.
44. SEBI observation letter No. CFD/DIL/UR/33222 dated February 9, 2005 and due diligence certificates dated December 1, 2004 from IIL.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be. The Company further certifies that all the statements in this Prospectus are true and correct.

The Selling Shareholders assume no responsibility for any of the statements made by the Company in this Prospectus relating to the Company, its business and related disclosures, except statements in relation to each of them as Selling Shareholders respectively.

SIGNED BY THE DIRECTORS OF THE COMPANY

Mr. Gopinath Pillai*

Mr. Prem Kishan Gupta

Mr. Karan Singh Thakral *****

Mr. Shabbir H. Hassanbhai*

Mr. Sat Pal Khattar *****

Mr. Kirpa Ram Vij*

Mr. Michael P. Pinto*

Mr. K. J. M. Shetty*

Mr. Saroosh Dinshaw

(*through their constituted attorney Mr. Prem Kishan Gupta)

SIGNED BY THE SELLING SHAREHOLDERS

Windmill International Pte. Limited*

Parameswara Holdings Limited*

Thakral Corporation Limited*

Thakral Investments Holdings (Mauritius) Limited*

Prism International Private Limited*

Infrastructure Development Finance Company Limited*

(*through their constituted attorney, Gateway Distriparks Limited, acting through its Managing Director, Mr. Prem Kishan Gupta)

SIGNED BY THE MANAGING DIRECTOR

Mr. Prem Kishan Gupta

SIGNED BY THE CHIEF EXECUTIVE OFFICER

Captain Kapil Anand*

(*through his constituted attorney Mr. R Kumar)

SIGNED BY THE CHIEF FINANCE OFFICER

Mr. R. Kumar

Date: March 15, 2005

Place: New Delhi

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