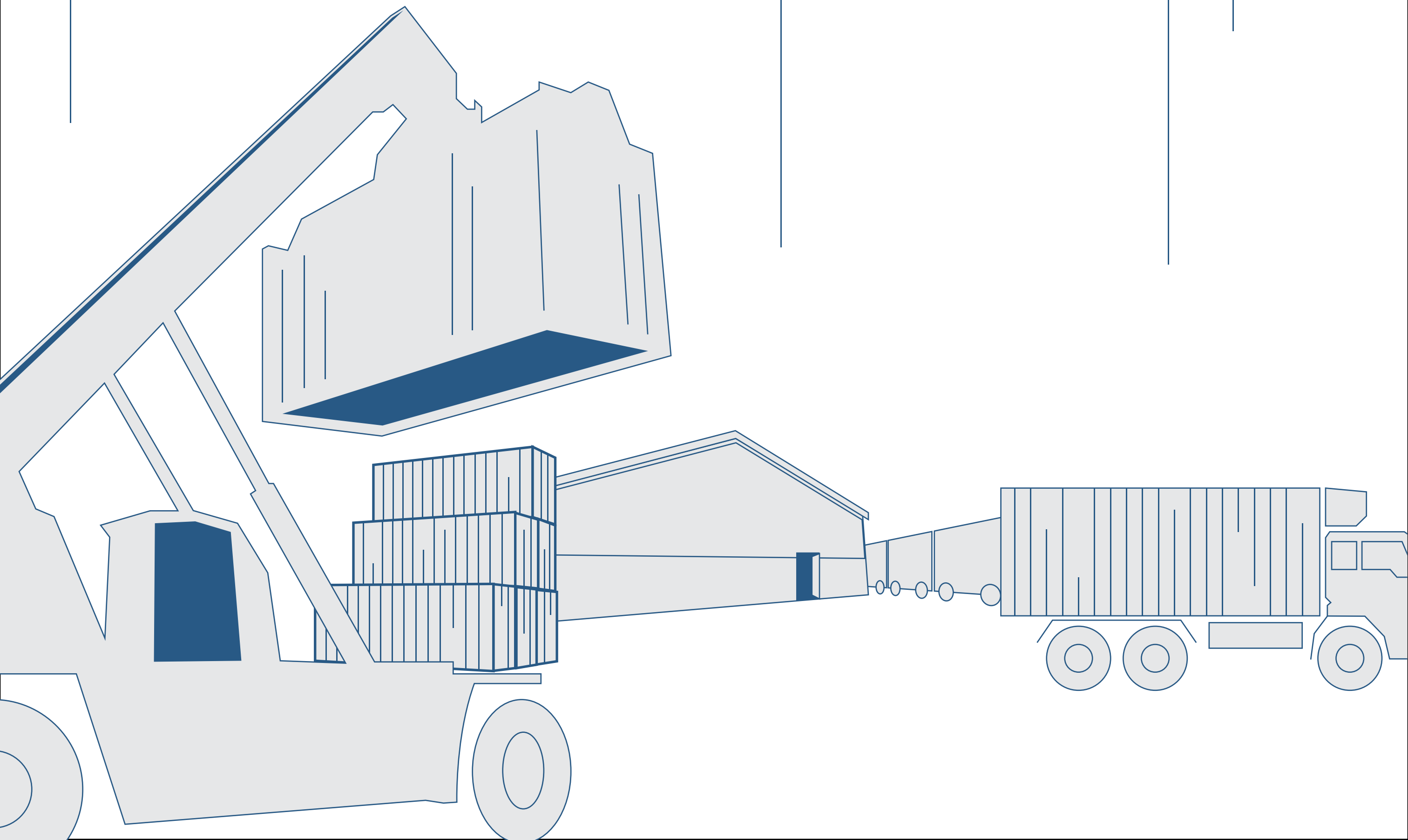
GATEWAY DISTRIPARKS LTD.

ANNUAL REPORT 2010-11



ABOUT THE GROUP

Gateway Distriparks Limited is the only logistics facilitator in the whole of India with three verticals which are synergetic and capable of being interlinked – Container Freight Stations (CFS), Inland Container Depots (ICD) with rail movement of containers to major maritime ports, and Cold Chain Storage and Logistics. GDL operates two Container Freight Stations at Navi Mumbai, one at Chennai and one at Visakhapatanam with total capacity of over 600,000 TEUs. A new CFS at Kochi will be operational by Q4 2011-12. These CFSs offer transportation & storage, general and bonded warehousing, empty handling and several value added services.

GDL's rail operations are handled by a subsidiary, Gateway Rail Freight Limited (GatewayRail) in which The Blackstone Group of USA has made a private equity investment through Blackstone GPV Capital Partners (Mauritius) V-H Ltd. GatewayRail provides inter-modal logistics and operates its own Inland Container Depots/Dry Ports. GatewayRail operates rail linked facilities at Garhi-Harsaru (Gurgaon, Haryana), Ludhiana (Punjab) and Kalamboli (Navi Mumbai). Its upcoming terminal at Asaoti (Faridabad, Haryana) will be operational by Q4 2011-12 as well. GatewayRail owns and operates a fleet of 21 trains and 235+ road-trailers at its rail linked terminals. GatewayRail operates regular container train service from these ICDs/Dry Ports to the maritime ports at NhavaSheva, Mundra and Pipavav, transporting import and export as well as domestic containers. All major shipping lines operate from these GatewayRail terminals for both export and import.

The third vertical consists of cold chain logistics solutions out of 19 locations in India through the subsidiary, Snowman Logistics Limited in which Mitsubishi, Nicherei and IFC (World Bank) are investors. Snowman is a leading Logistics Services Provider and India's first cold supply chain company with a nationwide network connecting more than 100 cities and more than 4,400 outlets. Snowman has a pan-India presence that offers comprehensive warehousing, transportation and distribution services. Its extensive infrastructure includes 19 ISO-22000 certified warehouses and more than 100 owned and leased reefer vehicles and transport assets. With its premium customer service and intricate distribution network, it is the trusted market leader in food supply chain management today.

Going forward, Gateway Distriparks plans to utilise its land banks to further extend capacities, expand its presence in new locations with the backing of a strong management team, and look at new avenues and verticals to become an all-encompassing service provider in the logistics industry in India.

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CHAIRMAN'S STATEMENT

Performance in FY 2011

FY 2011 was a good year for the GDL group of companies. All three verticals of the Group namely the container freight station (CFS) business, rail transportation and cold chain logistics saw significant growth. At the group level, the year saw:

- 16% increase in Consolidated Income to Rs. 6.12 billion, up from Rs.5.29 billion in FY 2010.
- 12% increase in Throughput of containers to 464,759 TEUs, up from 416,407 TEUs in FY 2010.
- 22% increase in Consolidated Group Profit after tax to Rs. 967.5 million, up from Rs.791.4 million in FY 2010.

a) CFS:

The CFS business, which is the mainstay of GDL's operations, accounting for 40% of its turnover and 94% of its net profit, saw a significant growth during FY2011. Turnover increased from Rs. 2.02 billion in 2010 to Rs. 2.42 billion in FY 2011 and net profit increased from Rs. 873 million to Rs. 973 million in the same period. The increase in turnover resulting from the handling of 10% more containers has taken place inspite of the fact that Punjab Conware CFS is still not fully functional. A new CFS is now under construction at Vallarpadam-Kochi which is through a joint venture in which GDL holds 60%. Plans are also being drawn up for the expansion of existing locations.

b) Rail Transportation:

GDL's subsidiary, Gateway Rail Freight Limited (GRFL) operates container trains and Rail linked terminals with Customs facilities (Dry ports) at Gurgaon and Ludhiana. GRFL is now developing a terminal at Faridabad to cater to the needs of trade at NCR. GRFL presently operates 21 container trains and 235 road trailers covering EXIM & domestic routes across the country. GRFL also operates dedicated refrigerated container train services between NCR and Navi Mumbai. In August 2010, Blackstone group invested Rs. 3 billion in GRFL to fund the expansion of GRFL.

GRFL increased its throughput by 16.8% to 131,337 TEUs, up from 112,444 TEUs in FY 2010 and reduced its loss to Rs.39.9 million from Rs.134.7 million in FY 2010. More importantly, GRFL reached break-even at the net profit level in the 3rd quarter of FY 2011 and contributed significantly to the net profit of the group in the 4th quarter. GRFL was awarded the Private Container Rail Operator of the year at the Maritime and Logistics Award function in September 2010.

c) Cold Chain Logistics:

Snowman Logistics Limited (SLL) is the only organized pan India cold chain logistics player in this growing business. SLL is expanding its cold stores network at key locations and the refrigerated transport fleet across the country. In March 2010, International Finance Corporation (IFC) invested Rs. 248.90 million in the company to fund the expansion of SLL and joining Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group Inc. as strategic investors in the company. The Company's income increased by 29% to Rs.475.9 million, up from Rs.369 million in FY 2010 and its Profit after tax increased by 55.8% to Rs.64.5 million, up from Rs.41.4 million in FY 2010.

Future

During the year, India's export grew by 37.5% to almost USD 245 billion, largely powered by growth in engineering goods sector. The Government has proposed to set an ambitious exports target of USD 450 billion by 2014. During the year, EXIM Container traffic in Indian ports recorded growth of 12.6%. The country's premier container port JNP recorded throughput of 4.27 million TEUs during the year. The prospects for EXIM trade from India continue to be very bright.

Container traffic on Indian Railways network continues to show high growth due to increase in containerization of bulk movement of cargo offering potential for savings in cost and time. Government initiatives to set up dedicated freight corridors will also boost rail traffic. We will augment our container train fleet, expand operations at our Inland Container Depots (ICD) near Gurgaon, & Ludhiana and commence operations at new ICD near Faridabad, to become a dominant player in the container rail business.

Due to increase in consumption of perishable products and due to the supply chain requirements of organized retail chains, demand for cold chain logistics services (Cold stores and refrigerated transport) has shown robust growth. Our cold chain logistics business provides services to large FMCG companies and organized retail chains. We are increasing capacity of cold stores at key locations and increasing the reach of our refrigerated transport services to cater to the increased demand.

India continues to face challenges due to inadequate infrastructure and smaller scale of operations, compared to many other countries. Despite these challenges, the Indian economy is expected to show robust growth, reflecting the inherent strengths of Indian economy.

We look to the future with great optimism. We expect favorable results from the various initiatives we have taken to expand and add new lines to our businesses.

We have laid the foundation for an integrated network of CFSs, ICDs, cold stores, container trains, trailer fleet using strategic alliances & joint ventures, combined with a strong sense of customer orientation and reliable services. We will leverage GDL's pan-India integrated logistics infrastructure for strong growth in future.

Dividend

The Company has paid interim dividends totaling Rs.5 per equity share of face value Rs.10 per share (including a special dividend of Re. 1 per equity share) for FY 2011. The Board has recommended final dividend of Re. 1 per equity share, taking the total dividend for FY 2011 to Rs. 6 per equity share of face value Rs.10 per share, which is up from dividend of Rs. 3.50 per equity share in FY 2010.

Acknowledgement

GDL continues to take initiatives to be a model corporate citizen setting standards of innovation, efficiency and reliability in all its businesses.

I thank my fellow Directors, our partners in various businesses, customers who patronize our facilities, employees and shareholders for their valued contributions.

Gopinath Pillai
Chairman, Gateway Distriparks Ltd.

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CONTENTS SUMMARY

BOARD OF DIRECTORS

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

COMMITTEES OF THE BOARD OF DIRECTORS

a. Audit and Investors Relations Committee

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

b. Remuneration and Esop Committee

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

BOARD OF DIRECTORS OF SUBSIDIARY COMPANIES

Gateway Rail Freight Limited:

1. Mr. Prem Kishan Gupta – Chairman & Managing Director
2. Mr. Gopinath Pillai
3. Mr. Sat Pal Khattar
4. Mr. Shabbir Hassanbhai
5. Mr. Arun Agarwal
6. Mr. Mathew Cyriac
7. Mr. Richard B. Saldanha
8. Mr. Gurdeep Singh

Snowman Logistics Ltd:

1. Mr. Gopinath Pillai– Chairman
2. Mr. Keiichi Nakagaki – Vice Chairman
3. Mr. Prem Kishan Gupta
4. Mr. Shabbir Hassanbhai
5. Mr.Saroosh Dinshaw
6. Mr. Ravi Kannan

Gateway Distriparks (Kerala) Limited :

1. Mr M.P. Pinto – Chairman
2. Mr Gopinath Pillai
3. Mr Prem Kishan Gupta
4. Mr P. Narayan
5. Mr Raghu Jairam

Gateway East India Private Limited and Gateway Distriparks (South) Private Limited are wholly owned subsidiaries.

REGISTERED OFFICE

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

CONTAINER FREIGHT STATION (CFS)

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

b. Punjab State Container & Warehousing Corp. Ltd. Plot No. 2,
Sector-2, Dronagiri Node, Uran, Navi Mumbai – 400 707

SUBSIDIARIES

Gateway East India Private Limited, Visakhapatnam – 530 012

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

Gateway Rail Freight Limited, New Delhi – 110 017

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

Snowman Logistics Ltd., Bangalore – 560 043

BANKERS

1. HDFC Bank Limited

2. ICICI Bank Limited

3. DBS Bank Limited

INTERNAL AUDITORS

Sahni Natarajan & Bahl, Chartered Accountants, Mumbai

AUDITORS

Price Waterhouse, Chartered Accountants, Mumbai

REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting their report for the year ended 31st March 2011.

A. Financial Results

Sl. No	Particulars	2010 - 11 (Rs. Million)	2009 - 10 (Rs. Million)
1	Income from Operations and Other Income	**1,915.03**	1,669.70
2	Profit before Interest, Depreciation and taxes	**1,013.68**	881.68
3	Interest	**14.37**	13.43
4	Depreciation	**142.19**	149.82
5	Profit before Exceptional items & taxation	**857.12**	718.43
6	Provision for taxes	**8.78**	(53.66)
7	Profit after tax	**848.34**	772.09
8	Profit brought forward from previous year	**1,813.67**	1,560.34
9	Dividend	**648.11**	377.41
10	Tax on Dividend	**107.64**	64.14
11	Transfer to General Reserve	**84.84**	77.21
12	Profit carried to Balance Sheet	**1,821.42**	1,813.67

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B. Dividend

The Company has paid three Interim dividends (including Special Interim Dividend) totalling Rs. 5 per equity share amounting to Rs. 540.11 million for the financial year 2010-11. Your Directors recommend Final Dividend of Rs.1 per equity share, amounting to Rs. 108 million for the financial year 2010-11. The Dividend Distribution Tax borne by the Company on the Interim and Final Dividends amounts to Rs. 107.64 million.

C. Management Discussion & Analysis:

a) Industry structure and developments

In the past decade, containerised movement of export import cargo grew by 14% per annum. Containerised cargo represents 30% of India's Export Import Trade, compared to the global average of over 70%. JNPT accounted for more than 50% of the total containerised traffic handled out of India, by handling around 4.3 million Teus. The country's second biggest container port at Chennai handled around 1.5 million TEUs.

b) Opportunities and threats

Growth of containerisation in both Export Import and domestic trade, private sector participation in ports and movement of containers by rail, liberalisation of Government policies and increase in the country's foreign trade present the company with opportunities for expansion and increase in profitability. During the past few years, the Company has taken several initiatives for growth and expansion. The company has taken over Punjab State Container and Warehousing Corporation Limited' s CFS at JNPT under an Operations and management agreement for a period of 15 years from February 2007. The CFS has been revitalised and renovated, adding to the Company's capacity at JNPT, which is India's premier container port. The Company continues to prune costs and augment its equipment for handling and transporting containers, which are operated by contractors. The Company is in the process of setting up a CFS at the fast growing port of Kochi in a joint venture with Chakiat Agencies Private Ltd. The Company's rail subsidiary, Gateway Rail Freight Limited (GRFL) has expanded its business relating to operating container trains on the Indian railways network. GRFL has put in place a fleet of railway rakes / trailers and ICDs to provide end-to-end solution to customers across the country. The Company's cold chain logistics subsidiary Snowman Logistics Ltd. continues to be a premier player in this emerging business.

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

c) Segment-wise / Product-wise performance

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

d) Outlook

Strong economic performance and growth in EXIM trade are expected to result in an increase in traffic at major Indian ports during 2011-12. The growth in port volumes & resultant increased throughput at our CFSs, increase in the business of rail movement of containers and growth in the emerging cold chain logistics business are expected to have a positive impact on the Company's business and profitability.

e) Risks and concerns

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

f) Internal control systems and adequacy

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

g) Financial / Operational performance

Operations:

Total income from operations & other income during 2010-11 was Rs. 1,915.03 million (2009-10: Rs. 1,669.70 million). The Profit after tax for 2010-11 was Rs. 848.34 million (2009-10: Rs. 772.09 million).

Finance:

During the year, the Company repaid term loans availed from HDFC Bank Limited. The Company has outstanding loan for financing transport vehicles Rs. 92.71 million with HDFC Bank Limited as on March 31, 2011. The Company has been sanctioned cash credit / overdraft facilities of Rs.150 million and non-funded facilities to the tune of Rs. 650 million by HDFC Bank Limited. The Company has given guarantees in respect of outstanding loans of Rs.1,061.08 million of subsidiary company Gateway Rail Freight Ltd. as on 31st March, 2011.

The income from interest on fixed deposits with banks and investments was Rs. 29.63 million in the current year (2009-10: Rs. 10.54 million).

h) Human Resources

The Company continued to have cordial and harmonious relations with its employees. Human relations policies were reviewed and upgraded in line with the Company's plans for geographical expansion. Initiatives on training and development of human resources were undertaken. The Company has a staff strength of 153 employees as on March 31, 2011 (March 31, 2010 : 153 employees).

i) Cautionary statement

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

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D. Subsidiaries:

Gateway East India Private Limited (GEIPL)

The Company has 100% equity shareholding in GEIPL, which is engaged in the business of running a CFS at Visakhapatnam. GEIPL's Income grew by 35% from Rs. 94.76 million to Rs 128.26 million in 2010-11. Profit after tax for the financial year 2010-11 was Rs.11.03 million as against profit of Rs. 20.86 million for 2009-10, due to higher taxes.

Gateway Distriparks (South) Private Limited (GDSPL)

The Company has 100% equity shareholding in GDSPL, which is engaged in the business of running a CFS at Chennai. Income grew by 47% from Rs. 272.94 million to Rs. 401.79 million in 2010 -11. Profit after tax for the financial year 2010-11 was Rs. 113.46 million as against Rs.104.60 million for 2009-10.

Gateway Rail Freight Limited (GRFL)

The Company has 97.27% equity shareholding in GRFL, which is engaged in the business of operating container trains and rail linked ICDs in Northern India. Income increased to Rs. 3,226.19 million in 2010-11 from Rs. 2,906.40 million in 2009-10. Loss for the financial year 2010-11 was Rs. 39.91 million as against Rs. 134.73 million in 2009-10. The loss is after providing for depreciation / amortisation Rs.300.25 million (2009-10: Rs. 254.67 million) on rakes, trailers and railway registration fees and interest on loans Rs. 174.95 million (2009-10: Rs. 181.10 million). During the year, Blackstone GPV Capital Partners (Mauritius) V-H Limited invested Rs. 3 billion by subscription to Compulsorily Convertible Preference shares which, on conversion, will entitle Blackstone to acquire between 37.27% and 49.90% of the equity share capital of GRFL. GRFL has 51% equity shareholding in Container Gateway Limited, which is yet to commence operations.

Gateway Distriparks (Kerala) Limited (GDKL)

The Company has 60% equity shareholding in GDKL, which is in the process of setting up a CFS at Kochi. Chakiat Agencies Pvt. Ltd. holds 40% shareholding in this Joint Venture Company. Cochin Port Trust has allotted 2.58 hectares of land at Vallarpadam on lease for 30 years. The Company is in the process of constructing a new CFS at Vallarpadam, where the country's first International Container Transshipment Terminal has been set up. Loss for the financial year 2010-11 was Rs. 0.23 million as against Rs.1.09 million in 2009-10.

Snowman Logistics Limited (SLL)

The Company has 52.19% equity shareholding in SLL (formerly known as Snowman Frozen Foods Limited), which operates cold stores and fleet of refrigerated trucks at the various major cities across the country. SLL has a pan India presence and provides total cold chain logistics solutions to its customers for products like seafood, dairy products, ice cream, fruits & vegetables, retail and food services. In March 2010, International Finance Corporation has invested Rs. 248.90 million in the equity capital of the Company. Mitsubishi Corporation, Mitsubishi Logistics Corporation and Nichirei Logistics Group Inc. are other shareholders in SLL.

SLL's income grew by 29% from Rs. 369.02 million in 2009-10 to Rs 475.90 million in 2010-11. Profit after tax for 2010-11 was Rs. 64.45 million as against Rs. 41.36 million for 2009-10. The Company is in the process of expanding its cold store capacities and refrigerated transport network.

E. Employees Stock Option scheme (ESOP)

Sr. No.	Particulars	ESOP - I (2005 - 2006)	ESOP- II (2006 - 2007)	ESOP - III (2007 - 2008)	ESOP - IV (2009 - 2010)
a.	Options granted (excluding cancelled options)	Options for 264,798 Equity shares	Options for 377,562 Equity shares	Options for 306,875 Equity shares	Options for 345,000 Equity shares
b.	Pricing formula	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee Rs. 130.92 per Equity Share (after adjustment for issue of bonus shares)	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee Rs. 109.25 per Equity Share (after adjustment for issue of bonus shares)	20% discount on the closing market price prior to the date of the meeting of the Remuneration and ESOP Committee Rs. 92.92 per Equity Share	20% discount on th e closing market price prior to the date of the meeting of the Remuneration and ESOP Committee Rs. 99.92 per Equity Share
c.	Options vested (net of lapsed options)	73,273	249,212	267,064	134,800
d.	Options exercised	33,800	161,992	235,477	7,900
e.	Total number of shares arising from exercise of options	33,800	161,992	235,477	7,900
f.	Options lapsed	191,525	128,350	39, 811	8,000
g.	Variation of terms of options	-	-	-	-
h.	Amount realised by exercise of options	Rs. 5.04 million	Rs.1 7.70 million	Rs. 21 .88 million	Rs.0.79 million
i.	Total number of options in force as on 31 - 3 - 2011	Options for 39,473 Equity Shares	Options for 87,220 Equity Shares	Options for 31,587 Equity Shares	Options for 329,100 Equity Shares

j.	Employee-wise details of options granted (excluding cancelled options)				
	i. Senior managerial personnel				
	a) Mr. R. Kumar, Deputy Chief Executive Officer and Chief Finance Officer cum Company Secretary	Options for 40,000 Equity Shares	Options for 40,000 Equity Shares	Options for 50,000 Equity Shares	Options for 50,000 Equity Shares
	b) Mr. Jacob Thomas, Vice - President (Operations)	Options for 16,000 Equity Shares	Option s for 16,000 Equity Shares	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares
	c) Mr. A.K. Bhattacharjee, Vice - President (Operations)	-	-	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares
	ii. Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year (excluding cancelled options)				
	a) Mr. Kartik Aiyer, General Manager (Finance & Accounts)	Options for 16,000 Equity Shares	Options for 16,000 Equity Shares	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares

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	b) Mr. Subhash Maini, Deputy General Manager (Operations)	-	-	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares
	c) Mr. Himangsu Roy, Senior Manager (Operations)	-	-	Options for 20,000 Equity Shares	Options for 20,000 Equity Shares
	iii. Identified employees who were granted options during any 1 year equal to or exceeding 1% of issued Capital (excluding outstanding war-rants and conver-sions) of the Com-pany at the time of grant	-	-	-	-

k.	Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings per share"		Rs. 7.85 per Equity Share
l.	Difference between employee compensation cost based on intrinsic value & fair value		Employee Compensation costs would increase by Rs. 3.33 million
	Impact on PAT Rs. million		Decrease in PAT by Rs. 2.67 million
	Impact on EPS (Rs./ Share)		Bas ic / Diluted EPS would reduce to Rs. 7.83per share from Rs. 7.86 & Rs. 7.85 per Equity Share respectively

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m. (i)	Weighted Average Exercise Price of options		Rs. 102.86 per option for Equity Share
m. (ii)	Weighted Average Fair Value of options		Rs. 26.67 per option for Equity Share

n.	Assumptions used to estimate fair value using Black Scholes option pricing model					
	(i) Risk free interest rate		7.64%			
	(ii) Expected life		Upto 32 months			
	(iii)Expected volatility		21.95%			
	(iv) Expected dividend		Rs. 4.97 per Equity share			
			ESOP - I (2005 - 2006)	**ESOP - II (2006 - 2007)**	**ESOP - III (2007 - 2008)**	**ESOP - IV (2009 - 2010)**
	(v) Market Price of share at the time of grant of option		Rs. 204.55	Rs. 170.70	Rs. 116.15	Rs. 124.90

F. Directors

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. K.J.M. Shetty, Mr. Kirpa Ram Vij and Mr. Arun Agarwal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

G. Responsibility Statement

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

i. in the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii. such accounting policies as mentioned in Note 1 of Schedule "Q" of the Annual Accounts have been applied consistently and judgements and estimates that are reasonable and prudent made, so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March 2011 and of the profit of the Company for that period.

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. the annual accounts for the year ended 31st March 2011 have been prepared on an on-going concern basis.

H. Corporate Governance

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

I. Listing of Equity Shares

The Company's Equity shares are listed on the Bombay Stock Exchange Limited, Mumbai situated at Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001 and the National Stock Exchange of India Ltd. situated at Exchange Plaza, Bandra Kurla Complex, Mumbai – 400 051. The Company has made up-to-date payment of the listing fees.

J. Auditors

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