

Annual Report
2004 - 2005



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Container Freight
Station

General and Bonded
Warehousing

Container Trucking

Container Repair





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Chairman's Statement

FY 2005 has been a watershed year for our company. GDL expanded its operations across the country by adding three new facilities, one at Gurgaon in the north, another at Chennai in the south and a third at Vizag in the east, in addition to its already well established presence in Navi Mumbai in Western India. The Company also made an initial public offering of its shares, which met with an overwhelming response from the investing public. The shares were listed on the Mumbai and National Stock Exchanges on March 31, 2005. Business during the year saw a sharp growth with revenue growing by almost 60% and profits more than doubling.

Economic Scenario

The Indian economy has shown buoyancy despite the runaway rise in oil and steel prices. India's foreign trade too has been growing at a fair pace. The merchandise export growth of 25.6 per cent, in US dollar terms, after a continuous rise of more than 20 per cent in each of the previous two years, reflects a sustained rise in the volume of exports with a revival of growth in the manufacturing sector and increased export competitiveness.

The main drivers of this high growth were the five major sectors of engineering goods, gems & jewellery, textiles, chemicals and related products, and petroleum products. The growth in exports from India is likely to continue as the Union Government has fixed an ambitious target of US\$ 150 billion for exports by the year 2008-09 with a view to double India's share in world exports to 1.5 per cent.

Expansion

As India pushes forward to make a mark in the world markets, it is imperative that players in the business of providing infrastructural support for achieving such ambitious targets must also gear up to meet the new challenges.

Gateway Distriparks is making its contribution towards this endeavour. During 2004-05, we successfully implemented our expansion plans. Our Inland Container Depot (ICD) near Delhi went into operation, as did our newly acquired Chennai CFS and warehousing facilities. Currently we have a combined capacity of around 300,000 TEUs per annum.

Besides adding to physical space and becoming a multi-location container freight service and logistics provider, we have been able to add essential infrastructural facilities to further strengthen our leadership position amongst private operators. At ICD Garhi, the Company has been successful in obtaining permissions from the Northern Railway to set up a railway siding. The railway siding is expected to become operational during the current year. This will add to the Company's ability to handle bulk cargo from the ICD at Garhi, which is well connected by rail to the ports in Western India and well placed to service the Northern hinterland.

The decision to enter the Northern Region is based on the fact that a substantial portion of the export-import traffic that is



handled at Jawaharlal Nehru Port (JNPT) originates/culminates in North India. The ICD in Garhi, in Haryana, would cater to the growing demand for such facilities from the industrial cities of Faridabad, Gurgaon and Noida and other neighbouring industrial satellite cities.

It is also a matter of satisfaction that our subsidiary in Chennai and the joint venture project in Vishakapatnam are progressing on schedule and will add substantially to our ability to service customers in South and South East part of India.

Future

There has been an impressive growth of container traffic in India in the last few years, with growth of over 15 per cent per annum during the five years up to 2003-04. There is however still a considerable lag when compared with the larger international ports. The largest port in the world, Hong Kong, processed 20.1 million TEUs (20-foot equivalent units). The 10th largest port, Antwerp, processed 5.4 million TEUs. In contrast, JNPT, India's largest container port, handled roughly 2 million TEUs in 2002-03 and 2.3 million TEUs in 2003-04. However with the construction of the third terminal in JNPT and with several other ports poised for expansion, container traffic into and out of India is set to grow rapidly.

"The company is well positioned to take advantage of the rapid growth that is taking place in the port related logistics sector in the country."

I am happy to say that your company is well positioned to take advantage of the rapid growth that is taking place in the port sector of the country. We are considering both organic growth as well as growth through acquisitions. Your Board is currently evaluating several possibilities. These will be announced as they mature into investment opportunities.

The Company continues to strive to be a good corporate citizen by fulfilling its social responsibilities. Following the tsunami disaster, the Company provided free meals to those affected living in the vicinity of our Chennai facility for about ten days. The meals were delivered directly by our staff to those affected.

Your Board is happy to recommend a dividend of 10% amounting to Re 1 per share of the equity share capital of the Company to aggregating Rs.75 million as the final dividend for FY 2004/2005. An interim dividend of 10% amounting to Re 1 per share aggregating to Rs.75 million was paid in May 2005.

I would like to place on record my appreciation to all members of the Board whose guidance and support have been invaluable. My thanks are also due to the dedicated and loyal services of our staff, without whom we could not have recorded such impressive growth. Last but not the least my thanks to the shareholders for their support.

Gopinath Pillai



Board of Directors



Gopinath Pillai
Chairman



Prem Kishan Gupta
Dy. Chairman & Managing Director



K. J. M. Shetty
Chairman - Audit Committee





M. P. Pinto
Chairman - Remuneration Committee



Shabbir Hassanbhai
Chairman - Finance Committee



Sat Pal Khattar



Kirpa Ram Vij



Karan Singh Thakral



Saroosh Dinshaw



Management Team



Captain Kapil Anand
CEO



R. Kumar
CFO



Captain Biswajit Chakravarty
Sr. GM - Operations



Jacob Thomas
GM - Operations



A TRUSTED PARTNER IN PORT RELATED LOGISTICS SUPPORT

GDL takes special care to ensure that timely, effective & comprehensive services are rendered to the customers round the clock.

Services offered include:-

- General and Bonded Warehousing
- Open Container Yards
- Stuffing and de-stuffing of containers
- Handling and monitoring of reefer containers/cargo
- Handling/securing of over dimensional cargo
- Cargo consolidation and de-consolidation services
- Container Transportation to/from the port
- In-house customs examination and EDI facility
- Container survey by IICL qualified personnel
- Major and minor container repair and refurbishment facilities
- Ancillary services
 - packing / unpacking of containerized cargo
 - packaging
 - sorting & labeling
 - re-bagging
 - palletization
 - shrink wrapping and
 - inspection services

THESE SERVICES ARE FURTHER AUGMENTED BY

- Skilled and dedicated workforce
- Self reliance through own handling & transportation equipment
- Covered all-weather elevated platforms for stuffing & destuffing.
- Optimal computerization towards warehousing & inventory management and
- Uninterrupted power supply fully backed by DG sets.

The MULTI-LOCATION ADVANTAGE

CFS, MUMBAI

The CFS at Mumbai is a prime example of dynamic and controlled organic growth spread over 7 years and developed in 3 phases. This CFS can presently handle 180,000 TEUs, making it the largest CFS at JNP. After full fledged development of Phase III in December 2005, its capacity will get enhanced further to 216,000 TEUs.

ICD, GURGAON

GDL acquired the ICD at Garhi Harsaru, near Gurgaon, and is building a railway siding near this facility. This ICD, when fully operational with the railway siding, can handle upto 36,000 TEUs per annum.

CFS, CHENNAI

GDL got this facility by acquiring 100 % of a Chennai based company, which is now called Gateway Distriparks (South) Private Limited. This CFS has a capacity to handle 40,000 TEUs, which will go up to 60,000 TEUs, on completion of the expansion during the current financial year.

