

CHANDRA CFS AND TERMINAL OPERATORS PVT. LTD.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report along with the accounts for the year ended 31st March 2015.

A. Financial Results

Sl. No	Particulars	2014-15 (Rs. millions)	2013-14 (Rs. millions)
1	Income from Operations and Other Income	57.42	44.05
2	Profit before Interest, Depreciation and taxes	8.69	3.45
3	Finance Cost	1.84	-
4	Depreciation	12.88	8.57
5	Profit/ (Loss) before Exceptional items & taxation	(6.03)	(5.12)
6	Provision for tax including MAT Credit	-	(4.44)
7	Profit / (Loss) after tax	(6.03)	(0.68)
8	Profit/ (Loss) brought forward from previous year	(104.69)	(104.01)
9	Profit /(Loss) carried to Balance Sheet	(110.72)	(104.69)

B. Operations during the year & prospects

Income from operations increased from Rs. 44.05 Million in FY 2013 - 14 to Rs. 57.42 Million in FY 2014 -15. Loss after tax for the financial year 2014-15 was Rs. 6.03 Million as against Rs.0.68 Million in FY 2013-14. Your Company has a throughput of 8,013 TEUs in the current year, as compared to 7,973 TEUs in the previous year.

The Customs permission for custodianship at the Container Freight Station (CFS) was temporarily suspended on 19th December 2014 by Customs Department, Chennai, until further orders, due to an incident involving unauthorized removal / attempted theft of a container from the CFS. The Company had taken necessary steps including filing of FIR and recovery of the container. The Company has submitted a petition to the Appellate Tribunal of Customs Dept. (CESTAT), Chennai to restore the custodianship. Pending hearing by CESTAT, operations at the CFS are presently suspended. The company has obtained opinion from Legal Counsel that the revocation of suspension would be set aside in near future. Based on the above Legal opinion, the Management is on the view that there will no material impact on the going concern and the financial position of the company and the accounting statement as on date reflect true and fair position of the company.

C. Directors

The Directors record their appreciation for the services of Chairman, Mr. Gopinath Pillai, who resigned as Director, in April 2015. The Board elected Mr. Prem Kishan Gupta as the Chairman of the Board in April 2015. Mr. Prem Kishan Gupta, Director retires by rotation and being eligible, offers himself for re-appointment. Mr. Bhaskar Avula Reddy, was appointed as an Additional Director (Independent) in the Board Meeting held on 29 January 2015 to hold office till the next Annual General Meeting of the Company. Your Directors recommend the appointment / reappointment of these Directors.

D. AUDITORS

M/s. Rakesh Garg & Associates, Firm Registration No. 108485W, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting of the Company and being eligible have offered themselves for reappointment. Their comments on the accounts and notes to the accounts are self-explanatory. Your directors recommend their appointment.

E. Statutory Information

Extracts of Annual Return under Section 92(3)

Particulars of Annual Report under Section 92 (3) of the Companies Act, 2013 are given in the Form MGT-9, which is annexed to this Report as Annexure A.

Number of meetings of the Board of Directors

During FY 2014-15, 6 meetings of the Board of Directors were held on 1 May 2014, 17 June 2014, 5 August 2014, 31 October 2014, 29 January 2015 and 13 March 2015.

Internal control system

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 review by the Audit Committee of the Board of Directors.

Information under Companies (Appointment and Remuneration of Managerial Personnel)

Rules 2014: There were no employees who were paid remuneration above the prescribed limits.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134 (5) of the Companies Act, 2013 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, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. such accounting policies as mentioned in Note 2 of the Annual Accounts have been applied consistently and judgments and estimates that are reasonable and prudent made, so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March 2015 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 2015 have been prepared on a going concern basis.
- v. the internal financial controls followed by the Company are adequate and operating effectively.
- vi. proper systems to ensure compliance with the provisions of all applicable laws are devised and such systems are adequate and operating effectively.

Risk Management Policy

The Board of Directors has put in place a Risk Management policy for the Company, which includes business risks, market risks, event risks and IT / financial/ interest rate / liquidity, risks and the structure, infrastructure, processes, awareness and risk assessment / minimization procedures. The elements of the risk, which in severe form can threaten Company's existence, have been identified by the Board of Directors.

Declaration by Independent Directors

Independent Directors have given declarations that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013.

Policy on Directors' Appointment & Remuneration

The criteria for appointment of directors as laid down by the Nomination & Remuneration Committee includes (a) qualifications (degree/specialist), (b) experience (management in a diverse organization / in accounting and finance, administration, corporate and strategic planning or fund management / Demonstrable ability to work effectively with a Board of Directors), (c) skills (Excellent interpersonal, communication and representational skills/ Demonstrable leadership skills / Extensive team building and management skills / Strong influencing and negotiating skills/ Having continuous professional development to refresh knowledge and skills), (d) abilities and other attributes (Commitment to high standards of ethics, personal integrity and probity / Commitment to the promotion of equal opportunities, community cohesion and health and safety in the work place and (e) independence: [(i) Person of integrity and possesses relevant expertise and experience, (ii) Not a promoter of the company or its holding, subsidiary or associate company, (iii) Not related to promoters or directors in the company, its holding, subsidiary or associate company, (iv) No pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during current & immediately preceding 2 financial years, (v) Relatives do not have pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, exceeding the lower amount of 2% or more of total income or Rs. 50 Lacs or prescribed amount during current & immediately preceding 2 financial years , (vi) Neither person nor relatives hold position of a key managerial personnel or employee of the company or its holding, subsidiary or associate company in any of the 3 financial years immediately preceding the financial year of proposed appointment, (vii) Not an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year of proposed appointment of a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company or any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% per cent. or more of the gross turnover of such firm, (viii) not holds together with relatives 2% per cent. or more of the total voting power of the company; or is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company and (ix such other prescribed qualifications)].

The Company's policy on remuneration of Directors, Key Managerial Personnel and other employees has been approved by the Nomination & Remuneration Committee. Base Compensation must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices). Variable salary must be based on the performance of the Company and the employees, annual bonus will be paid to the employees, normally equal to one month's salary. Retirement Benefits includes

Contribution to Provident fund, Gratuity etc as per Company rules and statutory requirements. Director's remuneration includes remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board. The total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed 11% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act. The Company with the approval of the Shareholders and Central Government may authorize the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V to the Companies Act, 2013. The Company may with the approval of the shareholders authorise the payment of remuneration up to 5% of the net profits of the Company to its any one Managing Director/Whole Time Director/Manager and 10% in case of more than one such official. The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to 1% of the net profits of the Company, if there is a managing director or whole time director or manager and 3% of the net profits in any other case. The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013. The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors subject to provisions of section 197of the Companies Act and the rules made there under. The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules. The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base and determined keeping in view the industry benchmark, the relative performance of the company to the industry performance and review on remuneration packages of other organizations.

Audit Reports

There are no qualifications, reservations or adverse remarks or disclaimers in the Auditors report.

Particulars of loans, guarantees or investments: NIL

Particulars of contracts or arrangements with related parties –

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 are given in Form AOC-2, which is annexed to this Report as Annexure B.

Annual Evaluation of Board performance

The performance evaluation criteria of the Board, as laid down by the Nomination & Remuneration Committee includes include growth in Business volumes and profitability, compared to earlier periods, growth over the previous years through inorganic expansion, transparency and fairness in Board Decision making processes. The performance evaluation criteria of Individual Directors and Committees include attendance record and intensity of participation at meetings, Quality of interventions, special contributions and inter-personal relationships with other Directors and management. The exclusive meeting of Independent Directors evaluated the performance of the Board, Committees of Board, non-Independent Directors & the Chairman as excellent. The Board evaluated the performance of Independent Directors based on their attendance record, contributions, their interventions and inter-personal relationships and the Chairman expressed the Board's appreciation of their performance. The Nomination and Remuneration Committee noted that the excellent performance of the individual directors & Committees based on the high attendance record and intense participation at meetings, high quality of interventions, special contributions and excellent Inter-personal relationships with other Directors and management. The performance of the Chairman was based on notable contributions in the achievements of the Company and role in conducting Board meetings and bringing out contributions from all directors. Prevailing remuneration in similar industry / function / experience are considered for recruiting persons & while grating increases in remuneration, besides the performance of the person. The Committee noted and approved the remuneration paid to key managerial personnel and other employees.

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings and Outgo : NIL

For and on behalf of the Board

Sd/-

GOPINATH PILLAI

CHAIRMAN

Place: New Delhi

Date: 28 April 2015

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U63011AP2005PTC046936
2.	Registration Date	21 July 2005
3.	Name of the Company	CHANDRA CFS AND TERMINAL OPERATORS PRIVATE LIMITED
4.	Category/Sub-category of the Company	Container Freight Station
5.	Address of the Registered office & contact details	CONTAINER FREIGHT STATION, VPT-EXIM PARK, OPPOSITE GAIL, SHEELA NAGAR, VISAKHAPATNAM, ANDHRA PRADESH - 530012 PH: +:91 891 3075500 Fax: +91 891 3075504
6.	Whether listed company	Unlisted
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Storage and warehousing n.e.c.[Includes general merchandise warehouses and warehousing of furniture, automobiles, gas and oil, chemicals, textiles etc. Also included is storage of goods in foreign trade zones]	52109	100%

2. Non-Institutions	-		-	-	-	-	-	-	-	
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	
i) Indian	-	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	
c) Others (specify)	-	-	-	-	-	-	-	-	-	
Independent Directors	-	-	-	-	-	-	-	-	-	
Non Resident Indians	-	-	-	-	-	-	-	-	-	
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	-	
Clearing Members	-	-	-	-	-	-	-	-	-	
Trusts	-	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	-	1,750,945	1,750,945	100%	-	3,183,945	3,183,945	100%	(0)	

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gateway Distriparks Limited	1,750,944	100%	0	3,183,944	100%	0	0
2	Prem Kishan Gupta jointly with Gateway Distriparks Limited	1	0	0	1	0	0	0

C) Change in Promoters' Shareholding :

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gateway Distriparks Ltd.				
	At the beginning of the year	1,750,944	100%	1,750,944	0
	Allotment of shares on 1 May 2014	1,249,055		2,999,999	
	Allotment of shares on 17 Jun 2014	83,945		3,083,944	
	Allotment of shares on 13 Mar 2015	100,000		3,183,944	
	At the end of the year		100%	3,183,944	0
2	Prem Kishan Gupta				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Promoters Shareholding during the year:	-	0	1	0
	At the end of the year	1	0	1	0

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	NIL				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Prem Kishan Gupta				
	At the beginning of the year	1	0	1	0
	Transactions (purchase / sale) during the year	0	0	0	0
	At the end of the year	1	0	1	0
2	Shabbir H Hassanbhai				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	Bhaskar Avula Reddy				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	R. Kumar				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	25,200,000	-	-	25,200,000
* Reduction	2,842,104	-	-	2,842,104
Net Change	22,357,896	-	-	22,357,896
Indebtedness at the end of the financial year				
i) Principal Amount	22,255,180	-	-	22,255,180
ii) Interest due but not paid	0	-	-	0
iii) Interest accrued but not due	102,716	-	-	102,716
Total (i+ii+iii)	22,357,896	-	-	22,357,896

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD	Total Amount
	NIL		

B. Remuneration to other directors – NIL

SN.	Particulars of Remuneration	Name of Director	Total Amount
	NIL		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD – NIL

SN.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify (Sitting Fees)	-	-
	Total (A)	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis	Not Applicable
(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	
2. Details of material contracts or arrangement or transactions at arm's length basis	
(a) Name(s) of the related party and nature of relationship	Gateway Distriparks Limited, Holding Company
(b) Nature of contracts/arrangements/transactions	Allotment of Shares
(c) Duration of the contracts / arrangements/transactions	Shares allotted in FY 2014-15
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	1,433,000 Equity Shares of Rs.100 each allotted at par
(e) Date(s) of approval by the Board, if any:	May 1, 2014, June 17, 2014 and March 13, 2015
(f) Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

Sd/-

Gopinath Pillai
Director

Place: New Delhi
Date: April 28, 2015

INDEPENDENT AUDITORS' REPORT

To The Members of Chandra CFS And Terminal Operators Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Chandra CFS and Terminal Operators Private Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2015, Statement of Profit and Loss for the year ended March 31, 2015 and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of



INDEPENDENT AUDITORS' REPORT

To the Members of Chandra CFS And Terminal Operators Private Limited

Report on the Financial Statements

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the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', (The Order), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The company does not have any branch; hence this clause is not applicable;
- (d) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and records;
- (e) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards specified



INDEPENDENT AUDITORS' REPORT

To the Members of Chandra CFS And Terminal Operators Private Limited

Report on the Financial Statements

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under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (f) In our opinion, no financial transactions or matters which have any adverse effect on functioning of the company is observed.
- (g) On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with rules made there under, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at 31st March 2015 on its financial position in its financial statements – Refer Note 28;
 - ii. The Company has made provision as at 31st March 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no requirement by the company to transfer to the Investor Education and Protection Fund. Hence this clause is not applicable.

Place: New Delhi
Date: 28th April 2015



For Rakesh Garg & Associates
Firm Registration No. 108485W
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Rakesh Garg'.

Rakesh Garg
Proprietor
Membership No. 083952

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Chandra CFS And Terminal Operators Private Limited on the financial statements as of and for the year ended March 31, 2015

We Report that:

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

(b) As informed to us, most of the assets have been physically verified by the management during the year. There is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of clauses 3 (iii), iii(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of fixed assets and with regard to sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted deposit from the public. Therefore, said clause of the order is not applicable to the company.
- vi. As informed to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the products of the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, VAT, Cess and other material statutory dues applicable to it. No undisputed amounts payables in respect of income tax, sales tax, wealth tax, service tax, customs duty, VAT, Cess and excise duty were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable .



INDEPENDENT AUDITORS' REPORT

To the Members of Chandra CFS And Terminal Operators Private Limited
Report on the Financial Statements

Page 5 of 5

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty, VAT, Cess and excise duty which have not been deposited on account of any dispute.
- (c)) According to the information and explanations given to us and on the basis of our examination of the books of accounts, there are no amount are required to be transferred investor education and protection fund.
- viii. In our opinion, the company has accumulated losses of Rs 11, 07, 19,683 at the end of the financial year and it has incurred cash profit of Rs 68, 49,274 in the current financial year.
- ix. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.
- x. According to the information and explanations given to us, company has not given guarantees for loans taken by others from Banks or financial institutions
- xi. According to the information and explanations given to us, the company taken term loan of Rs.2,22,55,180 and it is applied for the purpose for which it obtained.
- xii. During the course of our examination of the books of accounts, carried out in accordance with generally accepted auditing practices in India & According to the information and explanations given to us, we have neither come across any incidence of fraud on or by the company, noticed or reported during the year, nor have we been informed of any such case by the management.

**For Rakesh Garg & Associates
Firm Registration No. 108485W
Chartered Accountants**




**Rakesh Garg
Proprietor
Membership No. 083952**

**Place: New Delhi
Date: 28th April 2015**

Chandra CFS and Terminal Operators Private Limited

Balance Sheet as at March 31, 2015

	Note	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	318,394,500	175,094,500
Reserves and Surplus	3	(110,719,683)	(104,690,072)
		207,674,817	70,404,428
Share Application money pending allotment	4	-	126,112,393
Non-Current Liabilities			
Long-Term Borrowings	5	22,255,180	-
Deferred Tax Liabilities (Net)	6	-	-
Long-Term Provisions	7	297,520	263,567
		22,552,700	263,567
Current Liabilities			
Trade Payables	8	-	2,206,211
Other Current Liabilities	9	2,540,232	11,638,038
Short-Term Provisions	10	543,358	198,486
		3,083,590	14,042,735
TOTAL		233,311,107	210,823,123
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	11	213,838,064	192,553,395
Long-Term Loans and Advances	12	2,622,579	1,863,978
Other Non-Current Assets	13	7,013,425	4,900,595
		223,474,068	199,317,968
Current Assets			
Trade Receivables	14	2,507,704	9,550,376
Cash and Bank Balances	15	5,865,806	378,279
Short-Term Loans and Advances	16	1,463,529	1,507,400
Other Current Assets	17	-	69,100
		9,837,039	11,505,155
TOTAL		233,311,107	210,823,123

Significant Accounting Policies

1

The accompanying Notes are an integral part of these Financial Statements.
In terms of our report of even date.

For Rakesh Garg & Associates
Firm Registration No. 108485W
Chartered Accountants

For and on behalf of the Board of Directors

Rakesh Garg
Proprietor
Membership No.083952

Gopinath Pillai
Director

Prem Kishan Gupta
Director

Chief Finance Officer

Manager

Company Secretary

Place: New Delhi
Date: 28th April 2015

Place: New Delhi
Date: 28th April 2015

Chandra CFS and Terminal Operators Private Limited

Statement of Profit and Loss for the year ended March 31,2015

	Note	2014-2015 Rs.	2013-2014 Rs.
REVENUES			
Revenue from Operations	18	56,590,663	43,096,232
Other Income	19	831,821	953,449
Total Revenue		57,422,484	44,049,681
EXPENSES			
Operating Expenses	20	21,502,480	14,381,754
Employee Benefits Expense	21	10,747,874	10,209,707
Finance Costs	22	1,843,416	-
Other Expenses	23	16,479,440	16,008,409
Depreciation and Amortisation Expense	11	12,878,885	8,573,289
Total Expenses		63,452,095	49,173,159
Profit before Tax		(6,029,611)	(5,123,478)
Tax Expense			
- Deferred Tax		-	(4,445,851)
Profit after Tax		(6,029,611)	(677,627)
Earnings Per Share (Face value of Rs. 100 per share) - Basic and Diluted (Rs. per share)	27	(1.89)	(0.39)
Significant Accounting Policies	1		
The accompanying Notes are an integral part of these Financial Statements.			
In terms of our report of even date.			
For Rakesh Garg & Associates Firm Registration No. 108485W Chartered Accountants		For and on behalf of the Board of Directors	
Rakesh Garg Proprietor Membership No.083952	Gopinath Pillai Director	Prem Kishan Gupta Director	
Chief Finance Officer	Manager	Company Secretary	
Place: New Delhi Date: 28th April 2015	Place: New Delhi Date: 28th April 2015		

Cash Flow Statement for the Year ended March 31, 2015

		2014-2015 Rs.	2013-2014 Rs.
A. Cash flow from operating activities:			
Profit before Tax		(6,029,611)	(5,123,478)
Adjustments for:			
Depreciation and Amortisation Expense		12,878,885	8,573,289
Provision/ (write-back) for Doubtful Debts		669,498	38,160
Finance Costs		1,843,416	-
Interest Income		(377,012)	-
Loss on Disposal of Fixed Assets (Net)		-	-
Provision for Employee Benefits		-	-
Provision for Doubtful Ground Rent		-	-
Bad Debts		-	-
Liabilities no Longer Required Written Back		(220,919)	(439,372)
Operating profit before working capital changes		8,764,257	3,048,600
Adjustments for change in working capital:			
- Decrease/ (Increase) in Trade Receivables		6,373,174	(7,452,378)
- Decrease/ (Increase) in Long-Term Loans and Advances		(758,601)	(483,771)
- Decrease/ (Increase) in Short-Term Loans and Advances		43,871	(741,724)
- Decrease/ (Increase) in Other Assets		(2,043,730)	(1,639,946)
- (Decrease)/ Increase in Trade Payables		(2,206,211)	2,131,998
Increase(decrease) in short term borrowings		-	-
- (Decrease)/ Increase in Other Liabilities		(8,498,062)	5,724,135
Cash generated from operations		1,674,698	586,914
- Taxes Paid		-	-
Net cash from operating activities	(A)	1,674,698	586,914
B. Cash flow from investing activities :			
Purchase of Tangible Assets		(34,163,554)	(119,655,018)
Sale of Tangible Assets			
Interest Received		377,012	-
Net cash used in investing activities	(B)	(33,786,542)	(119,655,018)
C. Cash flow from financing activities :			
Proceeds from Long-Term Borrowings		22,255,180	
Share application money		(126,112,393)	119,072,372
Finance Costs		(1,843,416)	-
Increase (decrease in share capital)		143,300,000	-
Net cash from/ (used in) financing activities	(C)	37,599,371	119,072,372
Net Increase in Cash and Cash Equivalents	(A+B+C)	5,487,527	4,270
Cash and Cash Equivalents at the beginning of the year		378,279	374,009
Cash and Cash Equivalents at the year end		5,865,806	378,279
Net Increase in Cash and Cash Equivalents		5,487,527	4,270
Cash and Cash Equivalents comprise:			
Cash on Hand		28,580	23,817
Bank Balances:			
- Current Account		2,837,226	354,462
- Demand Deposits (less than 3 months maturity)		3,000,000	-
		5,865,806	378,279

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on "Cash Flow Statements" notified under Section 211(3C) of the Companies Act, 1956, of India.
- Previous year's figures have been regrouped/ rearranged wherever necessary.

In terms of our report of even date.

For Rakesh Garg & Associates
Firm Registration No. 108485W
Chartered Accountants

For and on behalf of the Board of Directors

Rakesh Garg
Proprietor
Membership No.083952

Gopinath Pillai
Director

Prem Kishan Gupta
Director

Chief Finance Officer

Manager

Company Secretary

Place: New Delhi
Date: 28th April 2015

Place: New Delhi
Date: 28th April 2015

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2015

Corporate Information

Chandra CFS and Terminal Operators Private Limited is a Company incorporated under the Companies Act 1956, located on the Ponneri High Road, Minjur. The Company is engaged in the business of Container Freight Station and Loading and Handling of Custom Cargo.

1 Significant Accounting Policies

(i) Basis of Accounting

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 and the other relevant provisions of the Companies Act, 2013, of India (the "Act"). All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(ii) Use of Estimate

The Preparation of financial statements in conformity Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and the expenses during the year. The Management believes that the estimates used in preparation of the financial statement are prudent and reasonable . Future results could differ due to these estimates and difference exists between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) Fixed Assets and Depreciation Tangible Assets

- (a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any. The Company capitalises all costs relating to the acquisition, installation and construction of fixed assets up to the date when the assets are ready for commercial use. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- (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:
 - Reach Stackers and Forklifts (included in Yard Equipments), which are being depreciated over a period of ten years.
- (c) Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition/ construction.
- (d) Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(iv) **Cash Flow Statement**

Cash flows are reported using indirect method, whereby profit / (loss) before extraordinary items and taxes is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flow from operating, investing and financing activities of the company are segregated on the available information

(v) **Borrowing Cost**

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

(vi) **Foreign Currency Transactions**

Initial Recognition

There are no significant foreign currency transactions. For whatever transactions if accounted are on the following basis. On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, from April 1, 2011 onwards, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

(vii) **Employment Benefits**

(a) **Defined Contribution Plan**

The Company has Defined Contribution plans for post employment benefits namely Provident Fund and Pension Scheme which are recognised by the Income Tax Authorities and administered through appropriate authorities.

The Company contributes to a Government administered Provident Fund and has no further obligation beyond making its contribution.

The Company's contribution to the above fund is charged to revenue every year.

(b) **Defined Benefit Plan**

The Company has a Defined Benefit Plan comprising of Gratuity Fund. The liability for the defined benefit plan is provided on the basis of an actuarial valuation carried out by an independent actuary as at the Balance Sheet date. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

Termination benefits are recognised as an expense as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

(c) **Other Employee Benefits**

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date.

(viii) **Revenue Recognition**

- (a) Income from Container Handling, Transport and Storage are 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 not accrued for a period beyond 60 days on a consistent basis as per the prevailing business practice. Income from operations are recognised net of trade discounts, rebates, sales taxes and service tax.
- (b) Income from auction sales is generated when the Company auctions long-standing cargo that has not been cleared by customs. Revenue and expenses for Auction Sales are recognised when auction is completed after necessary approvals from appropriate authorities are obtained. Auction Sales include recovery of the cost incurred in conducting auctions, custom duties on long-standing cargo and accrued ground rent and handling charges relating to long-standing cargo. Surplus, out of auctions, if any, after meeting all expenses and the actual ground rent, is credited to a separate account 'Auction Surplus' and is shown under the head 'Other Current Liabilities'. Unclaimed Auction Surplus, if any, in excess of one year is written back as 'Income' in the following financial year.
- (c) Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(ix) **Taxes on Income**

(a) **Current Taxation**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

(b) **Deferred Taxation**

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

(c) **Minimum Alternate Tax Credit**

During the current year the company does not have any MAT liability or credit to its account. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(x) **Provision for Doubtful Debts**

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

(xi) **Provisions and Contingent Liabilities**

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31, 2015

2 Share Capital

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Authorised		
34,00,000 (Previous year: 30,00,000) Equity Shares of Rs. 100 each	340,000,000	300,000,000
The Authorised capital increased from Rs.30 Crores to Rs.34 Crores as per special resolution passed at the EGM dated 5th June 2014.		
Issued, Subscribed and Paid-Up		
31,83,945 (Previous year: 1,750,945) Equity Shares of Rs. 100 each, fully paid-up	318,394,500	175,094,500
	318,394,500	175,094,500

A) Reconciliation of number of shares

Equity shares	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Rs.	Number of Shares	Rs.
Balance as at the beginning of the year	1,750,945	175,094,500	1,750,945	175,094,500
Add: Shares issued during the year	1,433,000	143,300,000	-	-
Balance as at the end of the year	3,183,945	318,394,500	1,750,945	175,094,500

B) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2015	As at March 31, 2014
Equity Shares	3,183,945	1,750,945
Gateway Distriparks Limited, the Holding Company (Previous year: Gateway Distriparks (South) Private Limited)	100.00%	100.00%
Refer Note 29		

D) Shares held by Holding Company

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Equity Shares		
31,83,945 Shares (Previous year: 1,750,945) held by Gateway Distriparks Limited, the Holding Company (Previous year: Gateway Distriparks (South) Private Limited)	318,394,500	175,094,500
Refer Note 29	318,394,500	175,094,500

3 Reserves and Surplus

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	(104,690,072)	(104,012,445)
Profit (loss) for the year	(6,029,611)	(677,627)
Balance as at the end of the year	(110,719,683)	(104,690,072)

4 Share Application Money Pending Allotment

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Share Application Money pending allotment from Gateway Distriparks Ltd	-	126,112,393
Refer Note 29		

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2015

5 Long-Term Borrowings

Secured

HDFC Bank Ltd

Nature of Security:

1. Vehicle Finance Loans from HDFC bank of Rs.25,200,000 (Previous year : Rs.Nil) are secured by way of hypothecation of the Company's Commercial vehicles purchased and by Gateway Distriparks Limited.

Terms of Repayment:

1. Vehicle Finance Loan for 10 Trailers are repayable in 59 equal monthly instalments from 20th July 14 to 20th May 2019 along with the interest of 10.15 % per annum on reducing monthly balance.

March 31, 2015	March 31, 2014
Rs.	Rs.
22,255,180	-
22,255,180	-

6 Deferred Tax Liabilities (Net)

[Refer Note-1 (ix)]

Deferred Tax Liabilities

Depreciation

Deferred Tax Assets

Carried Forward Business Loss

March 31, 2015	March 31, 2014
Rs.	Rs.
7,021,154	6,181,109
7,021,154	6,181,109
7,021,154	6181109
7,021,154	6181109
-	-

Note:

Considering the uncertainty of future taxable income, deferred tax asset is recognized to the extent of deferred tax liability and no further deferred tax asset has been created during the year.

7 Long Term Provisions

- Gratuity

Balance at the end of the year

Provision for litigation/dispute represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters in litigation.

As at March 31, 2015	As at March 31, 2014
Rs.	Rs.
297,520	263,567
297,520	263,567

8 Trade Payables

- Due to Others

Note (a)

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

As at March 31, 2015	As at March 31, 2014
Rs.	Rs.
-	2,206,211
-	2,206,211

9 Other Current Liabilities

Advances from Customers

Other Payables:

Interest accrued but not due on borrowings

Retention Money

Security Deposits

- Due to Employees

- Auditor fee payable

- Other Contractual Obligations

- Statutory Dues (including Tax Deducted at Source)

- For Fixed Assets

As at March 31, 2015	As at March 31, 2014
Rs.	Rs.
9,513	15,182
102,716	3,216,921
84,033	68,000
50,000	533,141
544,745	175,000
225,000	3,545,809
1,068,624	1,457,317
455,601	-
-	2,626,668
2,540,232	11,638,038

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
10 Short Term Provisions		
Employee Benefits [Refer Notes 1(v) and 28]		
- Gratuity	137,314	-
- Compensated Absences	406,044	198,486
	<u>543,358</u>	<u>198,486</u>
	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
12 Long term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Security Deposits	919,125	813,795
Capital advance	-	-
Tax Deducted at Source and Advance Tax [Refer Note 1(ix)]	1,703,454	1,050,183
	<u>2,622,579</u>	<u>1,863,978</u>
	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
13 Other Non - Current Assets		
Accured Ground Rent considered doubtful	302,700	100,900
Less : Provision for doubt full ground rent	(302,700)	(100,900)
[Unsecured, Considered Good (unless otherwise stated)]	-	-
	-	-
Balances with banks as security towards guarantees issued by them	6,717,287	4,408,910
Accured Interest on Fixed Deposit with Banks	296,138	491,685
	<u>7,013,425</u>	<u>4,900,595</u>
	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
14 Trade Receivables		
Unsecured, considered good:		
- Debts outstanding for a period exceeding six months from the date they are due for payment	-	-
- Others	2,507,704	9,550,376
	<u>2,507,704</u>	<u>9,550,376</u>
Unsecured, considered doubtful:		
- Others	767,658	98,160
Less: Provision for Doubtful Debts	767,658	98,160
	-	-
	<u>2,507,704</u>	<u>9,550,376</u>
	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
15 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	28,580	23,817
Bank Balances:		
- Current Account	2,837,226	354,462
Bank Deposits with maturity period of less than 3 months	3,000,000	-
	<u>5,865,806</u>	<u>378,279</u>
	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
16 Short Term Loans and Advances		
Advances Recoverable in Cash or in Kind	577,215	533,834
Prepaid Expenses	813,001	744,828
Balances with Government Authorities	73,313	228,738
	<u>1,463,529</u>	<u>1,507,400</u>
	As at March 31, 2015	As at March 31, 2014

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2015

17 Other Current Assets

(Unsecured , considered good (unless otherwise stated)

Accrued Ground rent considered good

<u>Rs.</u>	<u>Rs.</u>
-	69,100
<u>-</u>	<u>69,100</u>

Chandra CFS and Terminal Operators Private Limited

11 Tangible Assets [Refer Notes 1(ii) and 1(iii)] as at March 31, 2015.

Particulars	Gross Block			Depreciation					Net Block	
	As at March 31, 2014	Additions during the year	Disposals during the year	As at March 31, 2015	Up to March 31, 2014	For the year	Disposals during the year	upto March 31 2015	As at March 31, 2015	As at March 31, 2014
Land	10,164,640	-	-	10,164,640		-	-	-	10,164,640	10,164,640
Buildings	181,826,067	7,097,171	-	188,923,238	17,961,114	6,280,534	-	24,241,648	164,681,590	163,864,953
Electrical Installations	13,767,457	143,373	-	13,910,830	700,481	1,886,499	-	2,586,980	11,323,850	13,066,976
Yard Equipments (Refer Notes (a) below)	31,287,594		-	31,287,594	27,969,581	744,336	-	28,713,916	2,573,677	3,318,013
Office Equipment	1,011,126	33,132		1,044,258	368,374	615,383	-	983,757	60,501	642,752
Computers	3,011,147	167,820		3,178,967	2,668,479	180,486	-	2,848,965	330,002	342,668
Furniture and Fixtures (Refer Notes (b) below)	508,673	626,268	-	1,134,941	41,527	135,023	-	176,550	958,391	467,146
Vehicles	1,049,409	26,095,790	-	27,145,199	363,162	3,036,624	-	3,399,786	23,745,413	686,247
Total	242,626,113	34,163,554	-	276,789,667	50,072,718	12,878,885	-	62,951,602	213,838,064	192,553,395
Previous Year	123,015,339	119,681,564	70,790	242,626,113	41,543,673	8,573,289	44,244	50,072,718	192,553,395	81,471,666

Particulars	Gross Block			Depreciation					Net Block	
	As at March 31, 2013	Additions during the year	Disposals during the year	As at March 31, 2014	Up to March 31, 2013	For the year	Disposals during the year	upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land	10,164,640	-	-	10,164,640	-	-	-	-	10,164,640	10,164,640
Buildings	74,339,441	107,486,626	-	181,826,067	15,109,860	2,851,254	-	17,961,114	163,864,953	59,229,581
Electrical Installations	2,319,429	11,518,818	70,790	13,767,457	583,228	161,497	44,244	700,481	13,066,976	1,736,201
Yard Equipments (Refer Notes (a) below)	31,287,594		-	31,287,594	23,011,293	4,958,288	-	27,969,581	3,318,013	8,276,301
Office Equipment	971,594	39,532	-	1,011,126	301,982	66,392	-	368,374	642,752	669,612
Computers	2,694,593	316,554	-	3,011,147	2,222,841	445,638	-	2,668,479	342,668	471,752
Furniture and Fixtures (Refer Notes (b) below)	198,277	310,396	-	508,673	23,916	17,611	-	41,527	467,146	174,361
Vehicles	1,039,771	9,638	-	1,049,409	290,553	72,609	-	363,162	686,247	749,218
Total	123,015,339	119,681,564	70,790	242,626,113	41,543,673	8,573,289	44,244	50,072,718	192,553,395	81,471,666
Previous Year	112,687,924	10,528,585	201,170	123,015,339	28,702,388	12,841,271	-	41,543,659	81,471,666	83,985,536

Note:

- (a) Yard Equipments includes 2 (Previous year: 2) Reach Stackers having Cost of Rs. 23,331,869 (Previous year: Rs. 23,331,869) and Net Book Value of Nil (Previous year: Nil).
- (b) Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for the accounting periods after April 1, 2014, the Company has re-worked depreciation with reference to the estimated economic lives of fixed assets prescribed by the Schedule II to the Act or actual useful life of assets, whichever is lower. As a result the charge for depreciation is higher by Rs. 19,74,452 for the year ended March 31,2015 and profit from ordinary activities before tax is lower by the same amount.

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2015

	2014-2015 Rs.	2013-2014 Rs.
18 Revenue from Operations		
[Refer Note 1(vi)]		
Container Handling, Transport, Storage and Ground Rent Income	56,590,663	43,096,232
	56,590,663	43,096,232
(a) Details of Container Handling, Transport, Storage and Ground Rent Income		
Container Ground Rent	15,024,753	4,787,180
Container Handling, Transport and Storage	41,565,910	38,309,052
	56,590,663	43,096,232
19 Other Income		
Interest on Fixed Deposits with Banks	346,800	334,318
Interest on Income Tax Refund	30,212	-
Liabilities no Longer Required Written Back	220,919	439,372
Miscellaneous Income	233,890	179,759
	831,821	953,449
20 Operating Expenses		
Transportation	18,911,269	11,929,420
Labour Charges	2,591,211	2,430,134
Equipment Hire Charges	-	22,200
	21,502,480	14,381,754
21 Employee Benefits Expense		
Salaries, Allowances and Bonus	7,834,709	7,723,465
Contribution to Provident and Other Funds	487,895	470,228
Staff Welfare Expenses	1,975,326	1,638,750
Compensated Absences	231,615	160,291
Gratuity	218,329	216,973
	10,747,874	10,209,707
22 Finance Costs		
Interest on vehicle finance loan	1,843,416	-
	1,843,416	-
23 Other Expenses		
Power and Fuel	4,982,394	4,205,558
Rent	56,400	55,500
Rates and Taxes	151,907	196,488
Repairs and Maintenance:		
- Building	844,905	277,093
- Plant and Equipment	2,001,025	2,116,089
- Others	141,645	278,707
Insurance	689,937	532,818
Customs Cost Recovery	2,113,009	3,149,825
ROC fee	360,000	780,000
Bank Charges	76,783	71,174
Printing and Stationery	113,001	99,226
Travelling and Conveyance	66,745	59,287
Motor Car Expenses	422,018	569,957
Communication Expenses	226,879	503,976
Advertising Expenses	-	12,800
Security Charges	2,112,401	1,426,608
Professional Fees	251,750	210,500
Auditors' Remuneration:		
- As Auditors	175,000	175,000
- As Advisors, or in any other capacity, in respect of Other Services	260,000	300,000
Provision for Doubtful Debts	669,498	38,160
Miscellaneous Expenses	764,143	949,643
	16,479,440	16,008,409

Chandra CFS and Terminal Operators Private Limited**Notes to Financial Statements for the year ended March 31, 2015****24 Contingent Liabilities:**

Particulars	Rs.	
	2014-2015	2013-2014
Bank Guarantees and Continuity Bonds issued in favour of The President of India through the Commissioners of Customs for Rs. 4,800,000 (Previous year: Rs. 3,300,000) and Rs. 1,124,800,000 (Previous year: Rs. 1,038,300,000) respectively.	1,124,800,000	1,038,300,000

25 Commitments:**a. Capital Commitment:**

There are no capital commitments to be recognised or executed by the company in the current or coming year.

b. Other Commitment:

There are no other commitments standing in the books of the company

26 Segment Reporting**Primary Segment**

In accordance with Accounting Standard 17 - 'Segment Reporting' notified under Section 133 of the Companies 2013, the Company has determined its business segment as "Container Freight Station". Since 100% of the Company's business is from Container Freight Station, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the Financial Statement as of and for the year April 1, 2014 to March 31, 2015

Secondary Segment

The Company's operations are such that all activities are confined only to India and hence, there is no secondary reportable segment relating to the Company's business.

27 Earnings Per Share

The number of shares used in computing Earnings Per Share (EPS) is the weighted average number of shares outstanding during the year. Since there are no potential dilutive shares, Basic and Diluted EPS are the same.

Particulars	As at	
	March 31, 2015	March 31, 2014
Profit Computation for both Basic and Diluted Earnings Per Share of Rs. 100 each: Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (in Rupees)	(6,029,611)	(677,627)
Weighted average number of Equity Shares for Earnings per Share computation: No. of Shares for Basic and Diluted Earnings Per Share	3,183,945	1,750,945
Earnings Per Share (in Rupees): Basic and Diluted	(1.89)	(0.39)

28 The Customs permission for custodianship at the Container Freight Station (CFS) was temporarily suspended on 19th December 2014 by Customs Department, Chennai, until further orders, due to an incident involving unauthorized removal / attempted theft of a container from the CFS. The Company had taken necessary steps including filing of FIR and recovery of the container. The Company has submitted a petition to the Appellate Tribunal of Customs Dept. (CESTAT), Chennai to restore the custodianship. Pending hearing by CESTAT, operations at the CFS are presently suspended. The company has obtained opinion from Legal Counsel that the revocation of suspension would be set aside in near future. Based on the above Legal opinion, the Management is on the view that there will no material impact on the going concern and the financial position of the company and the accounting statement as on date reflect true and fair position of the company.

29 Pursuant to the Scheme of Amalgamation of holding company Gateway Distriparks (South) Private Limited ("Transferor Company") with the ultimate holding Company Gateway Distriparks Limited ("the Scheme" or "Amalgamation") as sanctioned by the Bombay High Court vide order dated December 9, 2014 and Madras High Court vide order dated February 17, 2015 and filed with the Registrar of Companies on March 5, 2015 after receipt of the same by the ultimate holding Company, the entire business and undertakings including all the assets and liabilities of transferor company stands transferred to and vested with the ultimate Company with effect from April 1, 2014 ("the Appointed date").

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31, 2015

30 Disclosure for AS 15 (Revised)

The Company has classified various benefits provided to employees as under:

I. Defined Contribution Plans:

- a. Provident Fund
- b. State Defined Contribution Plan
 - Employer's Contribution to Employee's Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Employers' Contribution to Provident Fund Rs. 4,87,895 (Previous year Rs. 4,70,228)
 [Includes Employers Deposit Linked Insurance plan charges and Employers contribution to Employees Pension scheme 1995.]

II. Defined Benefit Plan:

Gratuity

In accordance with the Accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:

	(% per annum)	
	2014-15	2013-2014
Discount rate	8.00	9.33
Rate of increase in Compensation Levels	8.25	9.50

The Company has funded Gratuity Plan; accordingly changes in the present value of the plan assets, percentage of each category of plan assets to total fair value of plan assets and reconciliation of present value of the defined benefit obligation and fair value of assets for funded scheme have not been disclosed.

	2014-2015	2013-2014
	Rs.	Rs.
Change in the Present Value of Obligation		
Present Value of Obligation at the beginning of the year	689,985	473,012
Interest Cost	64,376	39,023
Current Service Cost	158,796	143,715
Past Service Cost	-	-
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits Paid	(47,062)	-
Actuarial (Gain)/ Loss on Obligations	(4,843)	34,235
Present Value of Obligation at the end of the year	861,252	689,985
Amount recognised in the Balance Sheet		
Present Value of Obligation as at end of the year	861,252	689,985
Liability recognised in the Balance Sheet	861,252	689,985

Change in Fair Value of Plan Assets		
Fair Value of Plan assets as at the beginning of the year	426,418	285,397
Expected Return on Plan Assets	37,098	24,830
Contributions	-	141,021
(Benefits Paid from the Fund)	-	-
Actuarial Gain/(Losses) on Plan Assets	(37,098)	(24,830)
Fair Value of Plan assets as at the end of the year	426,418	426,418

Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
Fair Value of Plan assets at the end of the year	426,418	426,418
(Present Value of Benefit obligation as at the end of the Period)	(861,252)	(689,985)
Funded Status	(434,834)	(263,567)
Unrecognised past service cost at the end of the period	-	-
Unrecognised Transitional Liability at the end of the Period	-	-
Net (Liability) / Asset recognised in the Balance Sheet	(434,834)	(263,567)

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2015

31	2014-2015 Rs.	2013-2014 Rs.
Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	158,796	143,715
Past Service Cost	-	-
Interest Cost	27,278	39,023
Curtailement Cost/ (Credit)	-	-
(Expected Return on Plan Assets)	-	(24,830)
Settlement Cost/ (Credit)	-	-
Net actuarial (Gain)/ Loss recognised in the year	32,255	59,065
Total Expenses recognised in the Statement of Profit and Loss	218,329	216,973

Details of Present Value of Obligation and Experience Adjustment:

Particulars	2014-2015 Rs.	2013-2014 Rs.
Present value of obligation:	861,252	689,985
Experience Adjustments:		
(Gain)/ Loss on funded plan liabilities	(14,424)	41,905
Gain/ (Loss) on funded plan assets	(37,098)	(24,830)
(Gain)/ Loss on account of change in actuarial assumption	9,581	(7,670)

Other Employee Benefit Plan:

The liability for compensated absences as at year end is Rs. 4,06,044/- (Previous year Rs.1,98,486).

32 Related Party Disclosures

Related Party Disclosures, as required by Accounting Standard 18 – “Related Party Disclosures”, notified under Section 133 of the Act are given below:

Holding Company

Gateway Distriparks Limited

Share Application Money received from Related Party as per A.S. 18

Name of the Related Party	Opening Balance as on 01/04/2014	Received During the year	Re-paid During the year	Shares allotted During the year	Closing Balance as on 31-03-2015
Gateway Distriparks Limited	126,112,393	22,930,277	5,742,670	143,300,000	-

33 Previous year's figures have been rearranged to confirm with current year's presentation, where applicable.

Signatures to Notes “1” to “33” forming part of these Financial Statements.

For Rakesh Garg & Associates
Firm Registration No. 108485W
Chartered Accountants

For and on behalf of the Board of Directors

Rakesh Garg
Proprietor
Membership No.083952

Gopinath Pillai
Director

Prem Kishan Gupta
Director

Chief Finance Officer

Place: New Delhi
Date: 28th April 2015

Manager

Place: New Delhi
Date: 28th April 2015

Company Secretary