

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 2016.

A. Financial Results

Sl. No	Particulars	2015-16 (Rs. millions)	2014-15 (Rs. millions)
1	Income from Operations and Other Income	14.64	57.42
2	Profit before Interest, Depreciation and taxes	(15.48)	8.69
3	Finance Cost	2.03	1.84
4	Depreciation	13.29	12.88
5	Profit/ (Loss) before Exceptional items & taxation	(30.80)	(6.03)
6	Provision for tax including MAT Credit	-	-
7	Profit / (Loss) after tax	(30.80)	(6.03)
8	Profit/ (Loss) brought forward from previous year	(110.72)	(104.69)
9	Profit /(Loss) carried to Balance Sheet	(141.52)	(110.72)

B. Operations during the year & prospects

Income from operations for FY 2015-16 was Rs. 14.64 Million (FY 2014-15: Rs. 57.42 Million). Loss after tax for the financial year 2015-16 was Rs. 30.80 Million (FY 2014-15: Rs. 6.03 Million).

The Customs permission for custodianship at the Container Freight Station was temporarily suspended on December 23, 2014 by Customs Department, Chennai, until further orders, due to an incident involving unauthorised removal/ attempted theft of a container from the CFS. Your Company had taken necessary steps including filing of FIR and recovery of the container. On a petition filed by the Company, the Appellate Tribunal of Customs Department (CESTAT), Chennai upheld the order of the Customs Department. On an application filed by the Company, the Hon'ble High Court of Chennai had directed the Commissioner of Customs, Chennai to complete the investigation preferably within 3 months and pass orders as per regulations. The Commissioner of Customs, Chennai has given an order dated January 14, 2016 revoking the Suspension Order. CFS has commenced operations in January 2016.

C. Directors

Mr. Prem Kishan Dass Gupta, Director retires by rotation and being eligible, offers himself for re-appointment. Mr. Bhaskar Avula Reddy and Mr. Shabbir Hassanbhai are being appointed as Independent Directors at the ensuing 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 2015-16, 4 meetings of the Board of Directors were held on 28 April 2015, 7 August 2015, 5 November 2015 and 2 February 2016.

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, 2016, 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 2016 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 2016 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

Place: New Delhi

Date: 26 April 2016

PREM KISHAN DASS GUPTA
CHAIRMAN

DIN: 00011670

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

As on financial year ended on 31.03.2016

**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	Company Limited by shares/Indian Non-Government Company
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)	-	3,183,945	3,183,945	100%	-	3,323,945	3,323,945	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	3,183,944	100%	0	3,323,944	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	3,183,944	100%	3,183,944	0
	Allotment of shares on 5 November 2015			140,000	
	At the end of the year		100%	3,323,944	0
2	Prem Kishan Dass 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				

D) 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 Dass 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 (CFO)				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	JACOB THOMAS (Manager)				
	At the beginning of the year	-	-	-	-
	Transactions (purchase / sale) during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	VINITHA VENUGOPALAN PATTIYIL (Company Secretary)				
	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	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
Change in Indebtedness during the financial year				
* Addition	0	-	-	0
* Reduction	(4,477,210)	-	-	(4,477,210)
Net Change	(4,477,210)	-	-	(4,477,210)

Indebtedness at the end of the financial year				
i) Principal Amount	17,777,970	-	-	17,777,970
ii) Interest due but not paid	0	-	-	0
iii) Interest accrued but not due	82,160	-	-	82,160
Total (i+ii+iii)	17,860,130	-	-	17,860,130

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 Manager	Total Amount
		Mr. Jacob Thomas	NIL

B. Remuneration to other directors – NIL

SN.	Particulars of Remuneration	Name of Director	Total Amount
1.		Mr. Prem Kishan Dass Gupta	Nil
2.		Mr. Shabbir Hassanbhai	Nil
3.		Mr. Bhaskar Avula Reddy	Nil

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

SN.	Particulars of Remuneration	Key Managerial Personnel Mr. R. Kumar (CFO)	Key Managerial Personnel Ms. Vinita Venugopal (Company Secretary)	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	-	-	-
	Total	-	-	-

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 2015-16
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	140,000 Equity Shares of Rs.100 each allotted at par
(e) Date(s) of approval by the Board, if any:	5-Nov-15
(f) Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

PREM KISHAN DASS GUPTA
CHAIRMAN
DIN: 00011670

Place: New Delhi
Date: April 26, 2016

Rakesh Garg & Associates

(Chartered Accountants)

B-1/3 Emca House, 289 Shahid Bhagat Singh Marg, Fort,
Mumbai - 400 001. ☎ 4002 3824, 6634 9107 Fax : 6654 8671
Email: rgandassociates@gmail.com

Rakesh Garg

Proprietor

B.Com., A.C.S., F.C.A.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHANDRA CFS AND TERMINAL OPERATORS PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **CHANDRA CFS AND TERMINAL OPERATORS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 and read with rules made there under. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its **PROFIT** and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order 2016, issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act and read with rules made there under.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from



being appointed as a director in terms of Section 164 (2) of the Act.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements on Contingent Liabilities;
 - ii. The Company did not have any long-term contracts including derivative contracts and hence this clause is not applicable.
 - iii. The company has never declared the dividend and hence this clause relating to the Investor Education and Protection Fund by the company is not applicable.

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



Place: *New Delhi*
Date: *26/04/2016*


Rakesh Garg
Proprietor
Membership No. 083952

ANNEXURE TO THE AUDITOR'S REPORT

1. Fixed Assets

- (a) The Company has maintained records showing particulars of fixed assets including quantitative details and location. The Company is in the process of updating the same.
- (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification.
- (c) The title deeds to the immovable properties owned by the company are held in the name of the company.

2. Inventories

Since the company was not carrying on any manufacturing or trading activity, this clause is not applicable.

3. Loans and Advances

The company had not granted any loans to parties listed in the register maintained under section 189 of the Act and consequently clauses relating to terms and conditions of loan, payment of interest and repayment of principal and status of overdue are not applicable.

4. Investments, Guarantees etc.

The company has not made any investments and guarantees to any parties during the year. Hence, this clause is not applicable.

5. Fixed Deposits

The company had not accepted any deposits to which the provisions of sections 73 to 76 of the Companies Act, 2013 and rules made there under in respect of deposits accepted from public apply.

6. Cost Records

In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the company.

7. Statutory Dues

- (a) The company was generally regular in depositing with appropriate authorities undisputed statutory dues towards Provident Fund, Employees State Insurance, Income Tax, Service Tax, duty of customs, cess and other statutory dues, wherever applicable. There were no arrears of statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.



(b) According to the records of the company, there were no disputed statutory dues outstanding as on the date of balance sheet.

8. Repayment of Loans

In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of interest and principal to banks and financial institutions.

9. Application of funds raised:

The company had not obtained any fresh term loan during the year. In our opinion and according to the information and explanations given to us, the term loans taken in earlier years were applied for the purposes for which they were raised. The company has not raised any funds through public offer during the year.

10. Managerial Remuneration

The company has not paid any managerial remuneration during the year and hence this clause is not applicable.

11. Related Party Transactions

In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

12. Others

- a) According to the information and explanations given to us, no fraud, on or by the company, has been noticed or reported during the year
- b) The company has not made any preferential allotment or private placement of shares or fully/ partly convertible debentures during the year.
- c) As explained to us, the company has not entered into any non-cash transactions with directors or other persons during the year.
- d) In our opinion, the clauses (xiii) relating to nidhi companies and (xvi) relating to registration with Reserve Bank of India are not applicable to the company.

Place: New Delhi
Date: 26/04/2016



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


Rakesh Garg
Proprietor
Membership No. 083952

Rakesh Garg & Associates

(Chartered Accountants)

B-1/3 Emca House, 289 Shahid Bhagat Singh Marg, Fort,
Mumbai - 400 001. ☎ 4002 3824, 6634 9107 Fax : 6654 8671
Email: rgandassociates@gmail.com

Rakesh Garg

Proprietor

B.Com., A.C.S., F.C.A.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CHANDRA CFS AND TERMINAL OPERATORS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of CHANDRA CFS AND TERMINAL OPERATORS PRIVATE LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

Place: *New Delhi*
Date: *26/04/2016*



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


Rakesh Garg
Proprietor
Membership No. 083952

Chandra CFS and Terminal Operators Private Limited

Balance Sheet as at March 31, 2016

	Note	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	332,394,500	318,394,500
Reserves and Surplus	3	(141,519,863)	(110,719,683)
		190,874,637	207,674,817
Non-Current Liabilities			
Long-Term Borrowings	4	12,824,791	17,778,042
Deferred Tax Liabilities (Net)	5	-	-
Long-Term Provisions	6	252,443	297,520
		13,077,234	18,075,562
Current Liabilities			
Trade Payables	7	2,221,060	-
Other Current Liabilities	8	8,428,606	7,017,370
Short-Term Provisions	9	632,242	543,358
		11,281,908	7,560,728
TOTAL		215,233,779	233,311,107
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	10	200,894,215	213,838,064
Long-Term Loans and Advances	11	2,312,004	2,622,579
Other Non-Current Assets	12	5,511,484	7,013,425
		208,717,703	223,474,068
Current Assets			
Trade Receivables	13	2,985,050	2,507,704
Cash and Bank Balances	14	731,948	5,865,806
Short-Term Loans and Advances	15	2,799,078	1,463,529
		6,516,076	9,837,039
TOTAL		215,233,779	233,311,107

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

Prem Kishan Dass Gupta
Chairman
DIN:00011670

Shabbir Hassanbhai
Director
DIN: 00268133

Chief Finance Officer

Manager

Company Secretary

Place: New Delhi
Date: 26 April 2016

Place: New Delhi
Date: 26 April 2016

Chandra CFS and Terminal Operators Private Limited

Statement of Profit and Loss for the year ended March 31,2016

	Note	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
REVENUES			
Revenue from Operations	16	14,139,972	56,590,663
Other Income	17	498,765	831,821
Total Revenue		14,638,737	57,422,484
EXPENSES			
Operating Expenses	18	12,733,789	21,502,480
Employee Benefits Expense	19	8,550,380	10,747,874
Finance Costs	20	2,033,234	1,843,416
Other Expenses	21	8,828,908	16,479,440
Depreciation and Amortisation Expense	10	13,292,606	12,878,885
Total Expenses		45,438,917	63,452,095
Profit before Tax		(30,800,180)	(6,029,611)
Tax Expense			
- Deferred Tax		-	-
Profit after Tax		(30,800,180)	(6,029,611)
Earnings Per Share (Face value of Rs. 100 per share) - Basic and Diluted (Rs. per share)	25	(9.27)	(1.89)
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		For and on behalf of the Board of Directors	
Firm Registration No. 108485W			
Chartered Accountants			
Rakesh Garg	Prem Kishan Dass Gupta	Shabbir Hassanbhai	
Proprietor	Chairman	Director	
Membership No.083952	DIN:00011670	DIN: 00268133	
Chief Finance Officer	Manager	Company Secretary	
Place: New Delhi	Place: New Delhi		
Date: 26 April 2016	Date: 26 April 2016		

Cash Flow Statement for the Year ended March 31, 2016

		2015-2016 Rs.	2014-2015 Rs.
A. Cash flow from operating activities:			
Profit before Tax		(30,800,180)	(6,029,611)
Adjustments for:			
Depreciation and Amortisation Expense		13,292,606	12,878,885
Provision/ (write-back) for Doubtful Debts		1,332,033	669,498
Finance Costs		2,033,234	1,843,416
Interest Income		(463,093)	(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		(35,672)	(220,919)
Operating profit before working capital changes		(14,641,072)	8,764,257
Adjustments for change in working capital:			
- Decrease/ (Increase) in Trade Receivables		(1,809,379)	6,373,174
- Decrease/ (Increase) in Long-Term Loans and Advances		310,575	(758,601)
- Decrease/ (Increase) in Short-Term Loans and Advances		(1,335,549)	43,871
- Decrease/ (Increase) in Other Assets		1,501,941	(2,043,730)
- (Decrease)/ Increase in Trade Payables		2,221,060	(2,206,211)
Increase(decrease) in short term borrowings		-	-
- (Decrease)/ Increase in Other Liabilities		1,014,673	(8,498,062)
Cash generated from operations		(12,737,752)	1,674,698
- Taxes Paid		-	-
Net cash from operating activities	(A)	(12,737,752)	1,674,698
B. Cash flow from investing activities :			
Purchase of Tangible Assets		(348,757)	(34,163,554)
Sale of Tangible Assets			
Interest Received		463,093	377,012
Net cash used in investing activities	(B)	114,336	(33,786,542)
C. Cash flow from financing activities :			
Proceeds from Long-Term Borrowings		(4,477,210)	22,255,180
Share application money		-	(126,112,393)
Finance Costs		(2,033,234)	(1,843,416)
Increase (decrease in share capital)		14,000,000	143,300,000
Net cash from/ (used in) financing activities	(C)	7,489,556	37,599,371
Net Increase in Cash and Cash Equivalents	(A+B+C)	(5,133,860)	5,487,527
Cash and Cash Equivalents at the beginning of the year		5,865,806	378,279
Cash and Cash Equivalents at the year end		731,948	5,865,806
Net Increase in Cash and Cash Equivalents		(5,133,860)	5,487,527
Cash and Cash Equivalents comprise:			
Cash on Hand		7,758	28,580
Bank Balances:			
- Current Account		724,190	2,837,226
- Demand Deposits (less than 3 months maturity)		-	3,000,000
		731,948	5,865,806

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

Prem Kishan Dass Gupta
Chairman
DIN:00011670

Shabbir Hassanbhai
Director
DIN: 00268133

Chief Finance Officer

Manager

Company Secretary

Place: New Delhi
Date: 26 April 2016

Place: New Delhi
Date: 26 April 2016

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended December 31,2016

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, 2016

2 Share Capital

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Authorised		
34,00,000 (Previous year: 34,00,000) Equity Shares of Rs. 100 each	<u>340,000,000</u>	<u>340,000,000</u>
Issued, Subscribed and Paid-Up		
33,23,945 (Previous year: 31,83,945) Equity Shares of Rs. 100 each, fully paid-up	<u>332,394,500</u>	<u>318,394,500</u>
	<u>332,394,500</u>	<u>318,394,500</u>

A) Reconciliation of number of shares

Equity shares	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs.
Balance as at the beginning of the year	3,183,945	318,394,500	3,183,945	318,394,500
Add: Shares issued during the year	<u>140,000</u>	<u>14,000,000</u>	<u>-</u>	<u>-</u>
Balance as at the end of the year	<u>3,323,945</u>	<u>332,394,500</u>	<u>3,183,945</u>	<u>318,394,500</u>

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, 2016	As at March 31, 2015
Equity Shares	3,323,945	3,183,945
Gateway Distriparks Limited, the Holding Company (Previous year: Gateway Distriparks (South) Private Limited)	100.00%	100.00%

D) Shares held by Holding Company

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Equity Shares		
33,23,945 Shares (Previous year: 31,83,945) held by Gateway Distriparks Limited, the Holding Company (Previous year: Gateway Distriparks (South) Private Limited)	<u>332,394,500</u>	<u>318,394,500</u>
	<u>332,394,500</u>	<u>318,394,500</u>

3 Reserves and Surplus

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	(110,719,683)	(104,690,072)
Profit (loss) for the year	<u>(30,800,180)</u>	<u>(6,029,611)</u>
Balance as at the end of the year	<u>(141,519,863)</u>	<u>(110,719,683)</u>

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2016

4 Long-Term Borrowings

HDFC Bank Ltd

As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
12,824,791	17,778,042
12,824,791	17,778,042

Nature of Security:

1. Vehicle Finance Loans from HDFC bank of Rs.17,777,970 (Previous year : Rs.22,255,180) 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.

5 Deferred Tax Liabilities (Net)

[Refer Note-1 (ix)]

Deferred Tax Liabilities

Depreciation

As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
11,787,185	7,021,154
11,787,185	7,021,154
11,787,185	7,021,154
11,787,185	7,021,154
-	-

Deferred Tax Assets

(Carried Forward Business Loss)

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.

6 Long Term Provisions

- Gratuity

Balance at the end of the year

As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
252,443	297,520
252,443	297,520

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

7 Trade Payables

- Due to Others

As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
2,221,060	-
2,221,060	-

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.

8 Other Current Liabilities

Current maturities of Long-Term Borrowings (Refer Note 4)

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)

As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
4,953,179	4,477,138
-	9,513
82,160	102,716
-	84,033
-	50,000
563,632	544,745
200,000	225,000
2,142,463	1,068,624
487,172	455,601
8,428,606	7,017,370

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2016

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
9 Short Term Provisions		
Employee Benefits [Refer Notes 1(vii) and 28]		
- Gratuity	175,376	137,314
- Compensated Absences	456,866	406,044
	<u>632,242</u>	<u>543,358</u>
11 Long term Loans and Advances		
[Unsecured, Considered Good (unless otherwise stated)]		
Security Deposits	1,105,953	919,125
Tax Deducted at Source and Advance Tax [Refer Note 1(ix)]	1,206,051	1,703,454
	<u>2,312,004</u>	<u>2,622,579</u>
12 Other Non - Current Assets		
Accured Ground Rent considered doubtful	302,700	302,700
Less : Provision for doubt full ground rent [Unsecured, Considered Good (unless otherwise stated)]	(302,700)	(302,700)
	-	-
Balances with banks as security towards guarantees issued by them	5,351,410	6,717,287
Accured Interest on Fixed Deposit with Banks	160,074	296,138
	<u>5,511,484</u>	<u>7,013,425</u>
13 Trade Receivables		
Unsecured, considered good:		
- Debts outstanding for a period exceeding six months from the date they are due for payment	995,478	-
- Others	1,989,572	2,507,704
	<u>2,985,050</u>	<u>2,507,704</u>
Unsecured, considered doubtful:		
- Others	2,099,691	767,658
Less: Provision for Doubtful Debts	2,099,691	767,658
	-	-
	<u>2,985,050</u>	<u>2,507,704</u>
14 Cash and Bank Balances		
Cash and Cash Equivalent		
Cash on Hand	7,758	28,580
Bank Balances:		
- Current Account	724,190	2,837,226
Bank Deposits with maturity period of less than 3 months	-	3,000,000
	<u>731,948</u>	<u>5,865,806</u>
15 Short Term Loans and Advances		
Advances Recoverable in Cash or in Kind	29,396	577,215
Prepaid Expenses	710,215	813,001
Balances with Government Authorities	2,059,467	73,313
	<u>2,799,078</u>	<u>1,463,529</u>

10 Tangible Assets [Refer Notes 1(ii) and 1(iii)] as at March 31, 2016.

Particulars	Gross Block			Depreciation				Net Block		
	As at March 31, 2015	Additions during the year	Disposals during the year	As at March 31, 2016	Up to March 31, 2015	For the year 2015-16	Disposals during the year	upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Land	10,164,640			10,164,640	-	-	-	-	10,164,640	10,164,640
Buildings	188,923,237			188,923,237	24,241,648	6,378,566	-	30,620,214	158,303,022	164,681,590
Electrical Installations	13,910,830	348,757		14,259,587	2,586,980	1,446,731	-	4,033,711	10,225,876	11,323,850
Yard Equipments (Refer Notes (a) below)	31,287,594			31,287,594	28,713,916	744,336	-	29,458,252	1,829,342	2,573,677
Office Equipment	1,044,258			1,044,258	983,757	13,176	-	996,933	47,325	60,501
Computers	3,178,968			3,178,968	2,848,965	121,740	-	2,970,705	208,263	330,002
Furniture and Fixtures (Refer Notes (b) below)	1,134,941			1,134,941	176,550	127,290	-	303,840	831,101	958,391
Vehicles	27,145,199			27,145,199	3,399,786	4,460,767	-	7,860,553	19,284,646	23,745,413
Total	276,789,667	348,757	-	277,138,424	62,951,602	13,292,606	-	76,244,208	200,894,215	213,838,064
Previous Year	242,626,113	34,163,554	-	276,789,667	50,072,718	12,878,885	-	62,951,602	213,838,064	192,553,395

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).

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2016

	2015-2016 As at March 31,2016 Rs.	2014-2015 As at March 31,2015 Rs.
16 Revenue from Operations		
[Refer Note 1 (vi)]		
Container Handling, Transport, Storage and Ground Rent Income	14,139,972	56,590,663
	14,139,972	56,590,663
(a) Details of Container Handling, Transport, Storage and Ground Rent Income		
Container Ground Rent	31,500	15,024,753
Container Handling, Transport and Storage	14,108,472	41,565,910
	14,139,972	56,590,663
17 Other Income		
Interest on Fixed Deposits with Banks	463,093	346,800
Interest on Income Tax Refund	-	30,212
Liabilities no Longer Required Written Back	35,672	220,919
Miscellaneous Income	-	233,890
	498,765	831,821
18 Operating Expenses		
Transportation	12,724,789	18,911,269
Labour Charges	9,000	2,591,211
	12,733,789	21,502,480
19 Employee Benefits Expense		
Salaries, Allowances and Bonus	6,562,019	7,834,709
Contribution to Provident and Other Funds	513,766	487,895
Staff Welfare Expenses	1,218,993	1,975,326
Compensated Absences	122,699	231,615
Gratuity	132,903	218,329
	8,550,380	10,747,874
20 Finance Costs		
Interest on vehicle finance loan	2,033,234	1,843,416
	2,033,234	1,843,416
21 Other Expenses		
Power and Fuel	1,993,653	4,982,394
Rent	-	56,400
Rates and Taxes	194,724	151,907
Repairs and Maintenance:		
- Building	121,077	844,905
- Plant and Equipment	224,846	2,001,025
- Others	46,942	141,645
Insurance	714,324	689,937
Customs Cost Recovery	-	2,113,009
ROC fee	-	360,000
Bank Charges	34,440	76,783
Printing and Stationery	12,061	113,001
Travelling and Conveyance	14,971	66,745
Motor Car Expenses	-	422,018
Communication Expenses	420,708	226,879
Security Charges	1,872,774	2,112,401
Professional Fees	1,085,075	251,750
Auditors' Remuneration:		
- As Auditors	250,000	175,000
- As Advisors, or in any other capacity, in respect of Other Services	180,000	260,000
Provision for Doubtful Debts	1,332,033	669,498
Miscellaneous Expenses	331,280	764,143
	8,828,908	16,479,440

Chandra CFS and Terminal Operators Private Limited**Notes to Financial Statements for the year ended March 31, 2016****22 Contingent Liabilities:**

Particulars	Rs.	
	2015-2016	2014-2015
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. 4,800,000) and Rs. 1,124,800,000 (Previous year: Rs. 1,124,800,000) respectively.	1,124,800,000	1,124,800,000

23 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

24 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.

25 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, 2016	March 31, 2015
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)	(30,800,180)	(6,029,611)
Weighted average number of Equity Shares for Earnings per Share computation: No. of Shares for Basic and Diluted Earnings Per Share	3,323,945	3,183,945
Earnings Per Share (in Rupees): Basic and Diluted	(9.27)	(1.89)

26 During the year on 14th Jan 2016 the Customs have revoked the suspension of permission for custodianship at the Container Freight Station (CFS) which was temporarily suspended on 23rd December 2014 by Customs Department, Chennai.

27 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, 2016

28 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. 4,40,906 (Previous year Rs. 4,87,895)
 [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)	
	2015-16	2014-15
Discount rate	8.00	8.00
Rate of increase in Compensation Levels	8.25	8.25

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.

	2015-16	2014-2015
	Rs.	Rs.
Change in the Present Value of Obligation		
Present Value of Obligation at the beginning of the year	861,252	689,985
Interest Cost	68,900	64,376
Current Service Cost	172,803	158,796
Past Service Cost	-	-
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits Paid	(139,918)	(47,062)
Actuarial (Gain)/ Loss on Obligations	(108,800)	(4,843)
Present Value of Obligation at the end of the year	854,237	861,252
Amount recognised in the Balance Sheet		
Present Value of Obligation as at end of the year	854,237	861,252
Liability recognised in the Balance Sheet	854,237	861,252

Change in Fair Value of Plan Assets		
Fair Value of Plan assets as at the beginning of the year	426,418	426,418
Expected Return on Plan Assets	34,113	37,098
Contributions	-	-
(Benefits Paid from the Fund)	-	-
Actuarial Gain/(Losses) on Plan Assets	(34,113)	(37,098)
Fair Value of Plan assets as at the end of the year	426,418	426,418

Reconciliation of Present Value of Defined Benefit		
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)	(854,237)	(861,252)
Funded Status	(427,819)	(434,834)
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	(427,819)	(434,834)

Chandra CFS and Terminal Operators Private Limited

Notes to Financial Statements for the year ended March 31,2016

29	2015-2016 Rs.	2014-2015 Rs.
Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	172,803	158,796
Past Service Cost	-	-
Interest Cost	34,787	27,278
Curtailment Cost/ (Credit)	-	-
(Expected Return on Plan Assets)	-	-
Settlement Cost/ (Credit)	-	-
Net actuarial (Gain)/ Loss recognised in the year	(74,687)	32,255
Total Expenses recognised in the Statement of	132,903	218,329

Details of Present Value of Obligation and Experience Adjustment:

Particulars	2015-2016 Rs.	2014-2015 Rs.
Present value of obligation:	854,237	861,252
Experience Adjustments:		
(Gain)/ Loss on funded plan liabilities	(101,562)	(14,424)
Gain/ (Loss) on funded plan assets	(34,113)	(37,098)
(Gain)/ Loss on account of change in actuarial assumption	(7,238)	9,581

Other Employee Benefit Plan:

The liability for compensated absences as at year end is Rs. 4,56,866 (Previous year Rs.4,06,044).

30 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 01/04/2015	Received During the year	Re-paid During the year	Shares allotted During the year	Closing Balance as on 31-03-2016
Gateway Distriparks Limited	-	14,000,000	-	14,000,000	-

31 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

Prem Kishan Dass Gupta
Chairman
DIN:00011670

Shabbir Hassanbhai
Director
DIN: 00268133

Chief Finance Officer

Manager

Company Secretary

Place: New Delhi
Date: 26 April 2016

Place: New Delhi
Date: 26 April 2016