

To,  
The Members

Your Directors have pleasure in presenting their **9<sup>th</sup> Annual Report** on the business and operations and Audited Annual Financial Statements of the Company for the Financial Year ended March 31, 2016.

**1. Financial summary or highlights/Performance of the Company** (Standalone)

Since incorporation your company's operation has not been started. During the current financial year the company has only Interest Income of Rs.50,067 for F.Y.2015-16 and Rs. 54,940 for F.Y. 2014-15, out of which the provision for tax created is Rs. 15,471 (F.Y. 2015-16) and Rs. 16,976 (F.Y. 2014-15).

**2. Performance and brief description of the Company's working during the year/State of Company's affair**

The Company had been setup by the contribution of Gateway Rail Freight Limited (Gateway Rail) and Container Corporation of India Limited (CONCOR) consisting 51% and 49% of share capital respectively. The Joint Venture Company has been set up with the purpose of setting-up and running a rail based Container terminal at the JVC project land as per Joint Venture Agreement dated 26<sup>th</sup> day of March, 2007 between Gateway Rail & CONCOR.

The Company has not started its operations since at the initial stage dispute arose between the joint venture companies, the joint venture companies are engaged in resolving their disputes through arbitration.

**3. Dividend**

The operations of the Company are yet to be started, therefore the Company did not declare any dividend.

**4. Reserves**

The Company has not transferred any amount to reserves.

**5. Share Capital**

The Authorized and Paid up Share Capital of the Company is Rs. 10,00,000/-. No change took place during the Financial Year.

**6. Directors and Key Managerial Personnel**

The Company does not fall under the criteria as specified under the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force); therefore no one has been appointed as Independent Director in the Company.

Mr. Ishaan Gupta, Director of the Company had resigned w.e.f. 27<sup>th</sup> March 2015. Further, Mr. Nandan Chopra has been appointed as Additional Director w.e.f 1<sup>st</sup> July 2015.

In the ensuing Annual General Meeting of the Company Mr. Sachin Surendra Bhanushali, Director is liable to retire by rotation and being eligible, offers himself reappointment.

**7. Meetings**

During the year four (4) Board Meetings were convened and held on April 27, 2015, August 3, 2015, November 26, 2015 and March 21, 2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Board of Directors of your Company comprises of the following Directors:

S. No.	Name	Designation	Number of Meetings attended
1	Mr. Yash Vardhan	Chairman	4
2	Mr. Sachin Surendra Bhanushali	Director	4
3	Mr. Nandan Chopra	Director	3

**8. Auditors'**

M/s Mehrotra & Mehrotra, Chartered Accountants, Statutory Auditors of the Company, was appointed by the members of Container Gateway Limited in their meeting held on September 15, 2014 upto the conclusion of 10<sup>th</sup> Annual General Meeting (AGM) of the Company subject to ratification at every AGM.

It is now proposed to ratify the appointment of M/S Mehrotra & Mehrotra, Chartered Accountants, Statutory Auditors, from conclusion of this Annual General Meeting of the Company till conclusion of the Annual General Meeting to be held in Calendar year 2017, at the Annual General meeting to be held in the calendar year 2016.

The Company has received a letter from M/s Mehrotra & Mehrotra, Chartered Accountants confirming that if the confirmation from members is made, their appointment would be within the limits prescribed under Section 139(1) of the Companies Act, 2013.

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

**9. Vigil Mechanism & Prevention of Sexual Harassment policy**

Your Company does not fall under the criteria as specified under the provisions of section 177(9) & (10) of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 for establishment of Vigil Mechanism, therefore no Vigil Mechanism for directors and employees has been established.

Further, your company does not have any Sexual Harassment Policy, as the operations of the Company are yet to start and there are no employees in the Company.

**10. Extract of Annual Return**

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT-9 is annexed as Annexure – I to this Board report.

**11. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There is no material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

**12. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**a. Conservation of energy**

(i)	the steps taken or impact on conservation of energy	N/A, as no operation have been started
(ii)	the steps taken by the company for utilizing alternate sources of energy	N/A, as no operation have been started
(iii)	the capital investment on energy conservation equipment's	NIL

**b. Technology absorption**

(i)	the efforts made towards technology absorption	N/A, as no operation have been started
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	N/A, as no operation have been started
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	NIL
	(b) the year of import;	N/A
	(c) whether the technology been fully absorbed	N/A
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N/A
(iv)	the expenditure incurred on Research and Development	NIL

**c. Foreign exchange earnings and Outgo**

During the year, there were no foreign exchange earnings as well as no foreign exchange outgo.

**13. Risk Management policy**

Your Company does not have any Risk Management Policy, as the operations of the Company are yet to start.

**14. Internal Control system and adequacy:**

The Company makes use of IT enabled software in its operations, accounts and for communication within its facilities. 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 Board of Directors of the Company.

**15. Particulars of loans, guarantees or investments under section 186**

During the year under review the Company has not made any loans, guarantees or investments under section 186 of the Companies Act, 2013.

**16. Deposits**

Your Company has not accepted any deposits from public during the year attracting the provisions of Section 73 and 74 of the Companies Act 2013.

**17. Particulars of contracts or arrangements with related parties**

Your company has not entered into any contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

**18. Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care 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;
- (d) the directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2016 on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**19. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;**

No such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;

**20. Acknowledgements**

The Company acknowledges its thanks to shareholders, the bankers, the auditors and all those with whose help, cooperation and hard work the Company is able to achieve the results.

**For and on behalf of the Board of Directors**

**Chairman**

**Director**

**Place:**

**Date:**

## Annexure – I

EXTRACT OF ANNUAL RETURN  
as on the financial year ended on **31<sup>st</sup> March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

<b>i) CIN :</b>	U63030HR2007PLC036995
<b>ii) Registration Date :</b>	29 <sup>th</sup> June, 2007.
<b>iii) Name of the Company :</b>	Container Gateway Limited
<b>iv) Category / Sub Category of the Company</b>	Public Limited Company
<b>v) Address of the Registered office and contact details :</b>	Via Pataudi Road, Wazirpur Morh, Near Garhi Harsaru Railway Station, Garhi Harsaru, Gurgaon, Haryana
<b>vi) Whether listed company Yes / No :</b>	No
<b>vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :</b>	NA

**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:-

<b>S. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
<b>1</b>	N/A	N/A	N/A

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>S.No</b>	<b>Name and Address of The company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
<b>1</b>	Gateway Rail Freight Limited, SF-7, Second Floor, D-2 'Southern Park', Saket District Centre, Saket, New Delhi, Delhi, 110017	U60231DL2005PLC138598	Holding	51.00	2(46)



<b>a) Bodies Corp.</b>	-	-	-	-	-	-	-	-	-
<b>i) Indian</b>	-	-	-	-	-	-	-	-	-
<b>ii) Overseas</b>	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
<b>i) Individual shareholders holding nominal share capital up to Rs. 1 lakh</b>	-	-	-	-	-	-	-	-	-
<b>ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh</b>	-	-	-	-	-	-	-	-	-
<b>c) Others (specify)</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>NIL</b>	<b>100000</b>	<b>100000</b>	<b>100</b>	<b>NIL</b>	<b>100000</b>	<b>100000</b>	<b>100</b>	<b>NIL</b>

**(b) Shareholding of Promoters**

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares	% of total Shares of the company	%of Shares company Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares company Pledged / encumbered to total shares
1	Gateway Rail Freight Limited	51000	51	NIL	51000	51	NIL
2	Container Corporation of India Limited and its nominees	49000	49	NIL	49000	49	NIL
<b>Total</b>		<b>100000</b>	<b>100.00</b>	<b>NIL</b>	<b>100000</b>	<b>100.00</b>	<b>NIL</b>

**(c) Change in Promoters' Shareholding (please specify, if there is no change)**

S.No	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
<b>1</b>	<b>Gateway Rail Freight Limited (Gateway Rail)</b>				

	At the beginning of the year	50997	50.99		
	Date wise Increase / Decrease in Share-holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.	NIL			
	At the End of the year ( or on the date of separation, if Separated during the year)			<b>50997</b>	<b>50.99</b>
<b>2</b>	<b>Container Corporation of India Limited (CONOCOR)</b>				
	At the beginning of the year	48998	49.99		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.	NIL			
	At the End of the year ( or on the date of separation, if Separated during the year)			<b>48998</b>	<b>49.99</b>
<b>3</b>	<b>Mr. Anil Kumar Gupta (Nominee of CONCOR)</b>				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL			
	At the End of the year ( or on the date of separation, if separated during the year)			1	0.00
<b>2</b>	<b>Mr. Harpreet Singh (Nominee of CONCOR)</b>				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL			
	At the End of the year ( or on the date of separation, if Separated during the year)			0	0.00
<b>5</b>	<b>Mr. Sachin Bhanushali (nominee of Gateway Rail)</b>				

	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc	NIL			
	At the End of the year ( or on the date of separation, if Separated during the year)			1	0.00
<b>6</b>	<b>Mr. Braja Kishor Sahoo (nominee of Gateway Rail)</b>				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity, etc	NIL			
	At the End of the year ( or on the date of separation, if Separated during the year)			1	0.00
<b>7</b>	<b>Mr. V. Srinivas Reddy (nominee of Gateway Rail)</b>				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.	NIL			
	At the End of the year ( or on the date of separation, if Separated during the year)			1	0.00
<b>8.</b>	<b>Mr. V. Kalyana Rama (Nominee of CONCOR)</b>				
	At the beginning of the year	0	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.	NIL			
	At the End of the year ( or on the date of separation, if Separated during the year)			1	0.00

(d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	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
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc)				NIL
	At the End of the year ( or on the date of separation, if separated during the year)				

*(v) Shareholding of Directors and Key Managerial Personnel:*

S. No.	For Each of the Directors and KMP	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
<b>1</b>	<b>Sachin Bhanushali (nominee of Gateway Rail)</b>				
	At the beginning of the year	1	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc)				NIL
	At the End of the year ( or on the date of separation, if Separated during the year)			1	0.00

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

	Secured Loans	Unsecured Loans	Deposits	Total Debtness
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>	-	-	-	-
<b>ii) Interest due but not paid</b>	-	-	-	-
<b>iii) Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-

<b>Indebtedness at the end of the financial year</b>				
<b>i) Principal Amount</b>	-	-	-	-
<b>ii) Interest due but not paid</b>	-	-	-	-
<b>iii) Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:** No Managing Director, Whole-Time Director and/ or Manager have been appointed.

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (In Rs.)
1	<b>Gross salary</b>	N.A	N.A
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	N.A	N.A
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	N.A	N.A
	<b>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961</b>	N.A	N.A
2	<b>Stock Option</b>	N.A	N.A
3	<b>Sweat Equity</b>	N.A	N.A
4	<b>Commission</b> - as % of profit - others, specify...	N.A	N.A
5	<b>Others, please specify (Sitting Fees)</b>	N.A	N.A
	<b>Total (A)</b>	N.A	N.A
	<b>Ceiling as per the Act (11% of profits as per Section 198 of the Companies Act, 2013)</b>	N.A	

**B. Remuneration to other directors**

S. No	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors</b>	-	-	-	-
	<b>Fee for attending board committee meetings</b>	-	-	-	-
	<b>Commission</b>	-	-	-	-
	<b>Others, please specify</b>	-	-	-	-
	<b>Total (1)</b>	-	-	-	-

2	<b>Other Non-Executive Directors</b>	Mr. Yash Vardhan	Mr. Sachin Bhanushali	Mr. Nandan Chopra	
	<b>Fee for attending board meetings</b>	-	-	-	-
	<b>Commission</b>	-	-	-	-
	<b>Others, please specify</b>	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-
	<b>Overall Ceiling as per the Act</b>				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S.No	Particulars of Remuneration	Key Managerial Personnel			
					Total
	<b>Gross salary</b>	-	-	-	-
1	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	-	-	-	-
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	-	-	-	-
	<b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b>	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
	<b>- as % of profit</b>	-	-	-	-
	<b>others, specify...</b>	-	-	-	-
5	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

No Penalties/Punishment/Compounding of offences made during the year

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)
<b>A. COMPANY</b>					
<b>Penalty</b>	Not Applicable				
<b>Punishment</b>					
<b>Compounding</b>					

<b>B. DIRECTORS</b>	
<b>Penalty</b>	Not Applicable
<b>Punishment</b>	
<b>Compounding</b>	
<b>C. OTHER OFFICERS IN DEFAULT</b>	
<b>Penalty</b>	Not Applicable
<b>Punishment</b>	
<b>Compounding</b>	



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 financial statements.

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2016 and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the 'the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
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 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 Balance Sheet and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- (e) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
- (f) 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 B"; and
- (g) 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 does not have any pending litigations which would impact its financial position;
  - ii. the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: New Delhi  
Date: 25.04.2016



For Mehrotra & Mehrotra  
Chartered Accountants  
(FRN - 0226C)

Rajesh Jhalani  
Partner  
(M. No. 74809)

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements of Container Gateway Ltd. for the year ended 31st March, 2016, we report that:

- 
- (i) The Company does not own any fixed asset. Accordingly, para (i) of the Order is not applicable.
- (ii) The company has not commenced its operations and does not hold any inventory. According, para (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to a company, firm, LLP or other entity covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of sub-par (a) and (b) of Para (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of Companies Act, 2013 with respect to the loans, investments, guarantees and security to the extent their applicability.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.
- (vi) In our opinion and according to the information and explanations given to us, the para (vi) of the Order regarding maintenance of cost records is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including income-tax and any other material statutory dues to the appropriate authorities. As explained to us, the Company did not have dues on account of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax and cess.
- According to the information and explanations given to us, no undisputed dues were in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed statutory dues outstanding at the year end.
- (viii) The company has not borrowed funds from financial institution, bank, Government or a debenture holder. Accordingly, the para (viii) of the Order is not applicable.



- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, para (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The company has not paid managerial remuneration hence; the provisions of section 197 read with Schedule V to the Act are not applicable to it.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, para (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, para (xv) of the Order is not applicable.
- (xvi) As per our information, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

Place: New Delhi  
Date: 25.04.2016

For Mehrotra & Mehrotra  
Chartered Accountants  
(FRN: 00226C)  
  
(Rajesh Jhalani)  
Partner  
(M. No. 074809)



## **Annexure - B to the Auditors' Report**

### **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 Container Gateway Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the 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 ('ICAI'). 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31 March 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: 25.04.2016



For Mehrotra & Mehrotra  
Chartered Accountants  
(FRN: 00226C)

(Rajesh Jhalani)  
Partner  
(M. No. 074809)

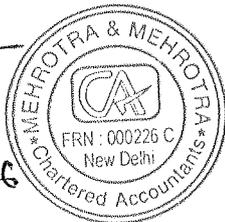
**CONTAINER GATEWAY LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2016**

Particulars	Note No	Figures as at year ending 31st, March 2016	Figures as at year ending 31st, March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	1,000,000	1,000,000
(b) Reserves and Surplus		-	-
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	4	258,743	227,808
(d) Short-term provisions	5	36,371	37,448
<b>Total</b>		<b>1,295,114</b>	<b>1,265,256</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets	6	695,633	659,301
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	7	556,257	471,765
(e) Short-term loans and advances		-	-
(f) Other current assets	8	43,224	134,190
<b>Total</b>		<b>1,295,114</b>	<b>1,265,256</b>

The accounting notes are an integral part of the financial statements.

As per our report of even date  
For Mehrotra & Mehrotra  
Chartered Accountants  
Firm Regn. No. 00226C

CA. Rajesh Jhatani  
Partner  
M.No. 074809



Date: 25.4.2016  
Place: New Delhi

For and on behalf of board of directors of  
Container Gateway Ltd.

Director

Director

Date: 25.4.2016  
Place: New Delhi

## CONTAINER GATEWAY LTD.

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED 31.03.2016

### NOTE 1: COMPANY OVERVIEW

1. The company has been formed as a joint venture company (JV Company) between Container Corporation of India Ltd. and Gateway Rail Freight Ltd. with the share capital ratio of 49% and 51% respectively. The main objects of the company are to set up, manage and operate Container Freight Stations and manage road/rail linked Container Terminal at Garhi Harsaru.

### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (accounting standard) Rules 2006, the provisions of the Companies Act 1956. Accounting policies are constantly applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires change in Accounting Policy hitherto in use.

#### 2.2 Revenue Recognition

The company has not commenced its operations till the year end as at 31<sup>st</sup> March, 2016 hence, no revenue generated during the year.

#### 2.3 Cash and Cash Equivalents

Cash and Cash equivalents comprise cash and cash on deposits with banks and corporations.

	As at 31st March 2016	As at 31st March 2015
<b>Note 3</b>		
<b>SHARE CAPITAL:</b>		
<b>AUTHORISED SHARES</b>		
100000 Equity Shares of Rs.10/- each	1,000,000	1,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARES</b>		
100000 equity shares of Rs.10/- each fully paid up in cash	1,000,000	1,000,000
<b>Total issued, subscribed and paid-up share capital</b>	<b>1,000,000</b>	<b>1,000,000</b>





**Note 9:**

The Company has not commenced the activities in relation to the objects for which it has been incorporated. Hence, no Statement of Profit and Loss has been prepared for the year under review. The expenditure incurred during the year is classified as 'Pre-Operative Expenses' pending capitalization and will be apportioned to the Assets on commencement of activities. Details of Pre-Operative Expenses are as follows:

<b>(In Rupees)</b>		
<b>Particulars</b>	<b>Year ended 31.03.2016</b>	<b>Year ended 31.03.2015</b>
Opening Balance	606,629	563,887
Expenses incurred during the year:		
Professional Fee Paid	23,610	33,278
Statutory Audit fee	22,900	22,472
Taxation Matters	11,400	11,236
Others	13,018	13,720
<b>Total</b>	<b>677,557</b>	<b>644,593</b>
<b>Less Interest Income(Net of taxes)</b>	<b>34,596</b>	<b>37,964</b>
<b>Net Expenses</b>	<b>642,961</b>	<b>606,629</b>

10. In the opinion of the board, the Current Assets are of the value stated, if realized in the ordinary course of business. Further necessary provisions have been made for all known and determined liabilities and are classified under Pre-Operative Expenses.
11. Since the company has not commenced its operation during the year, certain information as required to be disclosed as per Companies Act, 2013 are not applicable.
12. As per Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standard) Rules 2006, the disclosures of transactions with the related parties as defined in AS-18.
- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

<b>Sl. No.</b>	<b>Name of the Related Party</b>	<b>Relationship</b>
1	Gateway Rail Freight Ltd.	Holding Company
2	Container Corporation of India Limited	Associate



(ii) Transactions during the period with Related Parties:

(In Rupees)

S. No.	Name of the Company/Nature of	For the year 2015-2016	For the year 2014-2015
<b>1</b>	<b>Gateway Rail Freight Limited</b>		
a)	Transactions	Nil	Nil
b)	Closing Balance		
	Equity subscribed	5,10,000	5,10,000
	Amount due to them	2,46,293	2,25,808
<b>2</b>	<b>Container Corporation Limited</b>		
a)	Transactions	Nil	Nil
b)	Closing Balance		
	Equity subscribed	4,90,000	4,90,000

13. The company has entered into a lease deed on 07.12.2007 with Gateway Distriparks Ltd. to take on lease some land and buildings at village Wazirpur at monthly rental of Rs.38,61,000/- but no action thereafter has been taken in this regard and this lease deed remained unregistered since then. Therefore, no liability on this account has been considered in the accounts.

14. Arbitration proceedings are going on between both the joint venture companies i.e. Container Corporation of India Ltd. and Gateway Rail Freight Ltd. in respect of agreement entered into by the parties for operation of Container trains from Inland Container Depot and Rail Sidings of Gateway Rail Freight Ltd. at Garhi, Harsaru, Gurgaon.

15. The company has been formed as a joint venture company (JV Company) between Container Corporation of India Ltd. and Gateway Rail Freight Ltd. with share capital ratio of 49% and 51% respectively. The holding of both joint venture companies in the company is as under:

- a) Container Corporation of India Ltd. - 49,000 equity shares of Rs.10/- each fully paid up.
- b) Gateway Rail Freight Ltd. - 51,000 equity shares of Rs. 10/- each fully paid up.

16. Capital Commitments: NIL

17. Contingent liabilities: Nil (Previous Year Rs. Nil)

18. Payment to Auditors (including Service Tax)

Audit Fee: Rs.22,900/- (Previous Year Rs.22,472/-)

For Taxation and other matters: Rs.22,850/- (Previous Year Rs.23,172/-)



19. Previous period figures have been re-classified/regrouped, wherever considered necessary.

As per our report of even dated annexed

For Mehrotra & Mehrotra  
Chartered Accountants  
(FRN:00226C)



CA Rajesh Jhalani  
(Partner)  
M. No. 074809



For & on behalf of board of directors of  
Container Gateway Ltd.

  
Director  
Director

Date: 25.4.2016  
Place: New Delhi

**CONTAINER GATEWAY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	For the year ended		For the year ended	
	31.03.16		31.03.15	
	Rupees		Rupees	
<b>A) CASH FLOW FROM OPERATIONS</b>				
(Increase)/Decrease in Other Current Assets	75,495		(52,623)	
Increase/(Decrease) in Short Term Provisions	(1,077)		(1,554)	
Increase/(Decrease) in Other Current Liabilities	30,935	<b>105,353</b>	231	<b>(53,946)</b>
<b>Net Cash outflow in the course of Operations (A)</b>		<b>105,353</b>		<b>(53,946)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Pre Operative Expenses	(70,928)		(80,706)	
Interest Income	50,067	(20,861)	54,940	(25,766)
<b>Net Cash Flow in the course of Investing Activities (B)</b>		<b>(20,861)</b>		<b>(25,766)</b>
<b>C) CASH FLOW ARISING FROM FINANCING ACTIVITIES</b>				
Issue of Equity Shares				
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)		<b>84,492</b>		<b>(79,712)</b>
Add : Balance at the beginning of the year		<b>471,765</b>		<b>551,477</b>
<b>Cash &amp; Cash Equivalents at the close of the year</b>		<b>556,257</b>		<b>471,765</b>
<b>Components of Cash and Cash Equivalents as at 31st March</b>				
Balances with Banks				
- On Current Account		25		2,231
- On Deposit Account		556,232		469,534
<b>Total</b>		<b>556,257</b>		<b>471,765</b>

As per our report of even date  
For Mehrotra & Mehrotra  
Chartered Accountants  
FRN: 00226C

CA. Rajesh Jhalani  
Partner  
M.No. 074809



Date: 25.4.2016  
Place: New Delhi

For and on behalf of board of directors of  
Container Gateway Ltd.

*Rajesh Jhalani*  
Director

*Joshi*  
Director

Date: 25/4/16  
Place: New Delhi

**CONTAINER GATEWAY LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

Particulars	As at 31.03.16
<b>Pre-operative Expenditure</b>	
<b>Expenditure during FY 2007-08</b>	
Professional fee for vetting the draft lease agreement	30,000
Professional fee for valuation report	5,000
Professional fee to SGS Associates	11,200
Stamp charges	1,150
Statutory Audit Fee	22,060
Misc. expenses of ROC filing, DIN, PAN. etc.	6,472
<b>Balance as on 31.03.2008</b>	<b>75,882</b>
<b>Expenditure during FY 2008-09</b>	
Statutory Audit Fee	22,060
<b>Balance as on 31.03.2009</b>	<b>97,942</b>
<b>Expenditure during FY 2009-10</b>	
Statutory Audit Fee	22,060
<b>Balance as on 31.03.2010</b>	<b>120,002</b>
<b>Expenditure during FY 2010-11</b>	
Statutory Audit Fee	22,060
Filing Fees	6,000
Professional Fees to SGS Associates	4,964
<b>Expenditure during FY 2010-11 - Total</b>	<b>33,024</b>
<b>Balance as on 31.03.2011</b>	<b>153,026</b>
<b>Expenditure During FY 2011-2012</b>	
<b>Payment to Auditors</b>	
-As Auditor- Statutory Audit Fee (FY 2011-12)	22,472
-Taxation Matters	11,030
-Company Law Matters	11,030
Professional Fees	78,814
Filing fee -Registrar of Companies, Delhi & Haryana	56,446
<b>Expenditure During FY 2011-2012 - Total</b>	<b>179,792</b>
<b>Balance as on 31.03.2012</b>	<b>332,818</b>
<b>Expenditure During FY 2012-2013</b>	
Penalty paid for Composition of offences u/s 161, 165 and 285 of the Companies Act, 1956	40,000
Taxation Matters	11,236
Professional Fee	92,191
Filing Fee	1,200
<b>Payment to Auditors</b>	
-As Auditor- Statutory Audit Fee (FY 2012-13)	22,472
<b>Expenditure During FY 2012-2013 - Total</b>	<b>167,099</b>
Less: Transfer from Interest Earned after Tax	32,200
<b>Balance as on 31.03.2013</b>	<b>467,717</b>
<b>Expenditure During FY 2013-2014</b>	
Penalty paid for Composition of offences u/s 166 and 220 of the Companies Act, 1956	36,000
Taxation Matters	11,236
Company Law Matters	55,960
XBRL Filing Fees	11,236
Interest on TDS	364
Bank Charges	337
<b>Payment to Auditors</b>	
-As Auditor- Statutory Audit Fee (FY 2013-14)	22,472
<b>Expenditure During FY 2013-2014 - Total</b>	<b>137,605</b>
Less: Transfer from Interest Earned after Tax	41,437
<b>Balance as on 31.03.2014</b>	<b>563,887</b>
<b>Expenditure During FY 2014-2015</b>	
Taxation Matters	11,236
Company Law Matters	21,642
XBRL Filing Fees	11,636
Meeting Expenses	13,483
Interest U/s 234 C	237
<b>Payment to Auditors</b>	
-As Auditor- Statutory Audit Fee (FY 2014-15)	22,472
<b>Expenditure During FY 2014-2015 - Total</b>	<b>80,706</b>
Less: Transfer from Interest Earned after Tax	37,964
<b>Balance as on 31.03.2015</b>	<b>606,629</b>
<b>Expenditure During FY 2015-2016</b>	
Company Law Matters	12,160
Taxation Matters	11,400
XBRL Filing Fees	11,450
Meeting Expenses	12,907
Bank Charges	111
<b>Payment to Auditors</b>	
-As Auditor- Statutory Audit Fee (FY 2014-15)	22,900
<b>Expenditure During FY 2015-2016 - Total</b>	<b>70,928</b>
Less: Transfer from Interest Earned after Tax	34,596
<b>Balance as on 31.03.2016</b>	<b>642,961</b>



**CONTAINER GATEWAY LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

Particulars	As at 31.03.16
<b>Preliminary Expenditure</b>	
Registration fee paid to Pay & Accounts officer, MCA.	27,200
Filing of Form 1A	500
Professional fee for company Incorporation	22,472
Memorandum printing charges	2,500
	<b>52,672</b>
<b>OTHER INCOME</b>	
<b>INTEREST INCOME</b>	
<b>Income earned during FY 2012-13</b>	
Interest Income Earned	35,866
Interest Accrued	10,733
<b>Total:</b>	<b>46,599</b>
Less Income Tax Payable (Including Surcharge & Education Cess) @30.9%	14,399
Interest earned after Tax- Transfer to set of against Expenditure	32,200
<b>Income earned during FY 2013-14</b>	
Interest Income Earned	50,646
Interest Accrued	9,320
<b>Total:</b>	<b>59,966</b>
Less Income Tax Payable (Including Surcharge & Education Cess) @30.9%	18,530
Interest earned after Tax- Transfer to set of against Expenditure	41,437
<b>Income earned during FY 2014-15</b>	
Interest Income Earned	46,306
Interest Accrued	8,634
<b>Total:</b>	<b>54,940</b>
Less Income Tax Payable (Including Surcharge & Education Cess) @30.9%	16,976
Interest earned after Tax- Transfer to set of against Expenditure	37,964
<b>Income earned during FY 2015-16</b>	
Interest Income Earned	42,309
Interest Accrued	7,758
<b>Total:</b>	<b>50,067</b>
Less Income Tax Payable (Including Surcharge & Education Cess) @30.9%	15,471
Interest earned after Tax- Transfer to set of against Expenditure	34,596

