



BATRA DEEPAK & ASSOCIATES
CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of Containerway International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Containerway International Limited ('the Company') which comprise the balance sheet as at 31 March 2014, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have 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, statement of profit and loss and cash flow statement dealt with by this Reports are in agreement with the books of account;
 - d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. ; and
 - e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Batra Deepak & Associates
Chartered Accountants

Firm Regn. No.: 005408C


Kapil Kumar Bhagirath
Partner

M.No-095639

Date: 29.05.2014

Place: Delhi



ANNEXURE FORMING PART OF AUDIT REPORT OF CONTAINERWAY INTERANTIONAL LTD.

Referred to in paragraph 3 of our report of even date.

- (a) According to the information and explanations given to us, the company does not have any fixed asset. Hence clause (i)(a),(b)&(c) are not applicable.
- (b) The Company is a service company, primarily rendering logistics services. Accordingly it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
- (c) According to the information and explanation given to us, the company has not granted any loan to any firm covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (a) to 4 (iii) (d) of the Order is not applicable.
- (d) According to the information and explanation given to us, the company had taken loan from companies covered in the register maintained under section 301 of the Companies Act, 1956. The yearend balance and maximum amount during the year was Rs. 19.00 lakhs during the year.
- (e) The company has taken unsecured loan at NIL rate of interest and other terms and conditions of the loan, in our opinion, are not prima facie prejudicial to the interest of the company.
- (f) The loan has not been repaid during the year.
- (g) In our opinion and according to the information and explanations given to us, there exist internal control procedures, which need to be strengthened commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of services. The activities of the company do not involve purchase of inventories and sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (h) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (i) In our opinion, and according to the information and explanations given to us, there is no such transactions made in pursuance of contracts and arrangements referred to in (v) (a) above and exceeding the value of Rs. 5 lakhs with any party during the year.
- (j) The Company has not accepted any deposits from the public. Accordingly, paragraph 4(vi) of the Order is not applicable.
- (k) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.



- (l) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the services rendered by the Company. Accordingly, paragraph 4(viii) of the Order is not applicable.
- (m) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Customs duty and Excise duty. There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government.
- (n) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.
- (o) The company has accumulated losses of Rs. 451.72 lakhs (Rs. 451.91 lakhs) at the end of the financial year and has incurred cash losses Rs. 0.19 during the current financial year and Rs.0.15 lakhs in the immediately preceding the previous year.
- (p) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank.
- (q) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xii) of the Order is not applicable.
- (r) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society. Accordingly, paragraph 4(xiii) of the Order is not applicable.
- (s) According to the information and explanation given to us, the company has not dealing or trading in shares, securities, debentures and other investments.
- (t) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, paragraph 4(xv) of the Order is not applicable.
- (u) The company has not taken any term loans during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable.

- (v) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no fund raised on short-term basis have been used for long-term investment.
- (w) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(xviii) of the Order is not applicable.
- (x) The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4(xix) of the Order is not applicable.
- (y) The Company has not raised any money by public issues during the year. Accordingly, paragraph 4(xx) of the Order is not applicable.
- (z) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Batra Deepak & Associates
Chartered Accountants
Firm Regn. No.: 005408C


Kapil Kumar Bhagirath
Partner
M.No-095639
Date: 29.05.2014
Place: Delhi



CONTAINERWAY INTERNATIONAL LTD.
BALANCE SHEET AS ON 31.03.2014

	Note	March 31, 2014	March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	3,26,86,000	3,26,86,000
Reserves & Surplus	4	(3,51,90,157)	(3,51,71,327)
Non-current Liabilities			
Long term borrowings		18,99,790	18,99,790
Other long term liabilities		5,39,268	5,39,268
Current Liabilities			
Other current liabilities		1,51,708	1,26,472
Total		86,609	80,203
ASSETS			
Non current assets			
Long term loans and advances		42,084	42,084
Current Assets			
<u>Cash and cash equivalent</u>			
Cash In Hand		8,343	1,937
Balance With Schedule Banks-in Current Accounts		36,182	36,182
Total		86,609	80,203

Summary of significant accounting policies

2

As Per Our Report of Even Date Attached
For Batra Deepak & Associates
Chartered Accountants
Firm Regn. No. 0054080


Kapil Kumar Bhagirath
Partner
M. No.: 095639

Place : Delhi
Date : 29.05.2014

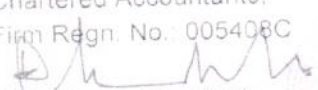
For And on Behalf of the Board


S. L. Ganapathi
Director


Jayashree Ganapathi
Director

CONTAINERWAY INTERNATIONAL LTD.
STATEMENT OF PROFIT AND LOSS

REVENUE FROM OPERATIONS	Note	March 31, 2014	March 31, 2013
Operational Income		68,750	15,700
Other Income		-	2,00,000
Total Revenue		68,750	2,15,700
EXPENSES			
Employee benefit expenses- salaries		12,000	20,000
Other Expenses	5	75,580	2,10,842
Total		87,580	2,30,842
Profit/(Loss) Before Tax		(18,830)	(15,142)
Less : Income Tax		-	-
Current Tax		-	-
Deferred Tax		-	-
Net Profit/(Loss) After Tax		(18,830)	(15,142)
Balance Brought Forward		(4,71,71,827)	(4,71,56,685)
Balance Taken To Balance Sheet		(4,71,90,657)	(4,71,71,827)
Earnings/(Loss) Per Share			
-basic (face value of Rs. 10 each)			
-diluted (face value of Rs. 10 each)			
Summary of significant accounting policies	2		

As Per Our Report of Even Date Attached
For Batra Deepak & Associates
Chartered Accountants,
Firm Regn. No. 005408C

Kapil Kumar Bhagirath
Partner
M. No.: 095639

Place : Delhi
Date : 29.05.2014

For And on Behalf of the Board


S. L. Ganapathi
Director


Jayashree Ganapathi
Director

CONTAINERWAY INTERNATIONAL LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Particulars	(Amounts in INR)	
	March 31, 2014	March 31, 2013
A. Cash Flow From Operating Activities		
Net Profit/(loss) before Depreciation & Tax	(18,830)	(15,142)
Adjustments:		
Operating Profit/ (loss) Before Working Capital Changes	(18,830)	(15,142)
Adjustments for:		
Increase/(decrease) in current liabilities	25,236	1,15,236
Increase/(decrease) in non current liabilities	-	(77,767)
Net Cash Used In Operating Activities (A)	6,406	22,327
B. Cash Flow From Investing Activities		
Net Cash Used In Investing Activities (B)		
C. Cash Flow From Financing Activities		
Unsecured Loans Raised/(repayment Of Loans)		
Net Cash From Financing Activities (C)		
Net Increase In Cash And Cash Equivalents (A)+(B)+(C)	6,406	22,327
Cash And Cash Equivalents Opening Balance	38,119	15,792
Cash And Cash Equivalent Closing Balance	44,525	38,119

Notes:

1. The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard - 3 on Cash Flow Statements' issued by the Institute of Chartered Accountants of India

As Per Our Report of Even Date Attached
For Batra Deepak & Associates
Chartered Accountants,
Firm Regn. No.: 005408C



Kapil Kumar Bhagirath
Partner
M. No.: 095639
Place: Delhi
Date: 29.05.2014

For And on Behalf of the Board



S. L. Ganapathi
Director



Jayashree Ganapathi
Director

CONTAINERWAY INTERNATIONAL LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note-1 Background:

Containerway International Limited is a public company domiciled in India and listed on Kolkata and Delhi Stock Exchanges. The company is engaged into transportation business.

Note-2 SIGNIFICANT ACCOUNTING POLICES

2.1 Basis of preparation of accounts:

The financial statements are prepared under historical cost convention in accordance with the applicable mandatory accounting standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of Section 211(3C) of the Companies Act, 1956.

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 Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current / noncurrent classification of assets and liabilities.

2.2 Revenue recognition:

Income from services rendered is recognized as the service is performed and is booked based on agreements/ arrangements with the concerned parties.

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

2.3 Expenditure:

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

2.4 Impairment of fixed assets:

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Assessment is done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

2.5 Loans and advances:

Loans and Advances are stated after making adequate provisions for doubtful balances.

2.6 Provisions and contingent liabilities:

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year-end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.



Signature

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.

2.7 Current and deferred tax:

Provision is made for both current and deferred taxes. Provision for current tax is made at current rates based on assessable income. Deferred taxes are recognized for the future tax on components attributable to timing difference between the financial statement carrying amounts of existing assets and liabilities and their respective status. The effect on deferred taxes of a change in tax rates is recognized using tax rates and tax laws that have been enacted by the Balance Sheet date.

2.8 Retirement benefits:

Retirement benefits are accounted for at the time of payment.

2.9 Earnings per share:

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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CONTAINERWAY INTERNATIONAL LTD.

Notes to the financial statements for the year ended 31 March 2014

3. Share Capital	As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount
<u>Authorised</u>				
Equity shares of Rs. 10 each *	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	50,00,000	5,00,00,000	50,00,000	5,00,00,000
<u>Issued, subscribed and paid up</u>				
Equity shares of Rs. 10 each fully paid up *				
At the beginning of the year	32,68,600	3,26,86,000	32,68,600	3,26,86,000
Add: Issued during the year				
At the end of the year	32,68,600	3,26,86,000	32,68,600	3,26,86,000
Total	32,68,600	3,26,86,000	32,68,600	3,26,86,000

Rights, preferences and restrictions attached to shares

Equity shares: The company has one class of equity shares having a par value of Re. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

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

Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No of shares	%	No of shares	%
Satinder Puri	981700	30.03%	981700	30.03%
Unit Trust of India	568500	17.39%	568500	17.39%
S L Ganapathi	458400	14.02%	458400	14.02%
Renu Puri	240500	7.36%	240500	7.36%
Dhruv Puri	233200	7.13%	233200	7.13%

4. Reserves & Surplus

	As at		Deductions	As at	
	31st March, 2013	Additions		31st March, 2014	
General Reserve	20,00,000	0	0	20,00,000	
Share Premium	1,00,00,500	0	0	1,00,00,500	
Debit balance of profit & loss account	(4,71,71,827)	(18,830)	0	(4,71,90,657)	
Total	(3,51,71,327)	(18,830)	0	(3,51,90,157)	

6. Other Expenses

	31.03.2014	31.03.2013
Legal & Professional Charges	-	1,30,590
Audit Fee	11,236	11,236
Printing & Stationery	15,711	11,543
Other Expenses	34,455	41,589
Communication Expense	14,178	15,884
Total	75,580	2,10,842

CONTAINERWAY INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Cont.)

6. Contingent liability:

Estimated contingent liability on account of stock exchanges outstanding fee as on 31.03.2014 Rs. 5.00 lacs (Rs. 4.75 lacs previous year)

7. Related party disclosure:

A. Enterprises where control exists Nil

B. Other related parties Nil

i) Fellow subsidiaries

ii) Key management personnel

S.L. Ganapathi

Jayashree Ganapathi

Zoeb F. Raniwala

iii) Companies/firms where director(s) have significant influence:

Symatec Associates Pvt. Ltd.

Shelka Marketing Services Pvt. Ltd.

lafrica Logistics Pvt. Ltd.

ASLG Skill Development

Ganapathi Consultancy

C. Disclosure of transaction with related party

i) Key management personnel

2013-14 2012-13

- Outstanding as at the year end

539,268 5,39,268

- Unsecured loan outstanding at the year end

1,899,790 1,899,790

8. Previous year figures

Previous year figures have been regrouped wherever necessary.

As Per Our Report of Even Date Attached

For And on Behalf of the Board

For Batra Deepak & Associates
Chartered Accountants

Kapil Kumar Bhagirath
Partner

M. No. 095639

Firm Regn. No. 005408C

Place Delhi

Date 29.05.2014


S. L. Ganapathi
Director


Jayashree Ganapathi
Director