

INDIA STEAMSHIP INTERNATIONAL FZE

Financial statements and reports
Year ended 31 March 2014

INDIA STEAMSHIP INTERNATIONAL FZE

Financial statements and reports
Year ended 31 March 2014

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INDIA STEAMSHIP INTERNATIONAL FZE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The Directors are pleased to present their report to the shareholders together with the audited financial statements of India Steamship International FZE (the establishment) for the financial year ended 31 March 2014.

Directors

The directors of the establishment in office at the date of this report are as follows:

Mr. Chandra Shekhar Nopany
Mr. K Satishchandra
Mr. Ramanathan Chockalingam
Mr. Lee Kuan Jen Sebastian

The establishment was incorporated on 11 May 2011 and is yet to commence commercial operations.

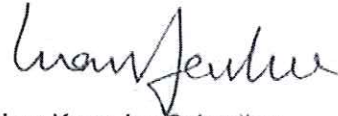
In the opinion of the Directors,

- (i) the accompanying statement of financial position as at 31 March 2014 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows with the notes thereto for the year ended 31 March 2014 are drawn up so as to give a true and fair view of the state of affairs of the establishment for the year ended on that date, and
- (ii) at the date of this statement there are reasonable ground to believe that the establishment will be able to make up deficit in shareholder's funds.

On behalf of the Board of Directors



K Satishchandra
Director



Lee Kuan Jen Sebastian
Director

Singapore
25 April 2014

INDEPENDENT AUDITOR'S REPORT

The shareholder
INDIA STEAMSHIP INTERNATIONAL FZE

Report on the financial statements

We have audited the accompanying financial statements of **INDIA STEAMSHIP INTERNATIONAL FZE**, which comprise the statement of financial position as at 31 March 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 4 to 15.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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 International Standards on Auditing. 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 entity's preparation of financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

continued...

INDEPENDENT AUDITOR'S REPORT

(continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **INDIA STEAMSHIP INTERNATIONAL FZE** as at 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our audit opinion, we draw attention to note 2(b) to the financial statements, which states that as at 31 March 2014, the establishment has accumulated losses of USD 63,332 and net deficit of USD 4,526 in shareholder's funds. However, the shareholder has agreed to continue with the operations of the establishment and has agreed to provide continuing financial support to enable the establishment to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on going concern basis.

Report on other legal and regulatory requirements

As the net assets of the establishment are below 75% of its share capital, the directors are required to take steps to intimate the Hamriyah Free Zone Authority and remedy the situation in accordance with the Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995. We have been informed that the directors will intimate the Free Zone Authorities and take steps to remedy the situation.

We further confirm that except for the matter stated above, the financial statements comply with the Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995. Also in our opinion, proper books of account and other records have been maintained in accordance with the said regulation.

PKF

PKF
Dubai
United Arab Emirates
26 April 2014



INDIA STEAMSHIP INTERNATIONAL FZE

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

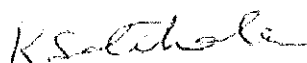
	Notes	2014 USD	2013 USD
Current assets			
Prepayment and other receivables	6	2,280	5,097
Total assets		2,280	5,097
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	8	6,806	6,806
Accumulated losses		(63,332)	(44,183)
Deficit		(56,526)	(37,377)
Shareholder's current account	9	52,000	42,474
Total (deficit) / shareholder's funds		(4,526)	5,097
Current liabilities			
Accruals	10	6,806	—
Total liabilities		6,806	—
Total liabilities less deficit / total shareholder's funds and liabilities		2,280	5,097

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 and 3.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the directors on 25 April 2014.

For INDIA STEAMSHIP INTERNATIONAL FZE



DIRECTORS

INDIA STEAMSHIP INTERNATIONAL FZE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 USD	2013 USD
Revenue		--	--
Other operating expenses	12	(19,149)	(18,777)
LOSS FOR THE YEAR		(19,149)	(18,777)
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(19,149)	(18,777)

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 and 3.

INDIA STEAMSHIP INTERNATIONAL FZE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2014

	Share capital USD	Accumulated losses USD	Total USD
Issue of share capital	6,806	(25,406)	(18,600)
Total comprehensive income for the year	--	(18,777)	(18,777)
Balance at 31 March 2013	6,806	(44,183)	(37,377)
Total comprehensive income for the year	--	(19,149)	(19,149)
Balance at 31 March 2014	<u>6,806</u>	<u>(63,332)</u>	<u>(56,526)</u>

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 and 3.

INDIA STEAMSHIP INTERNATIONAL FZE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	2014 USD	2013 USD
Cash flows from operating activities		
Loss for the year	(19,149)	(18,777)
Decrease in prepayments and other receivables	2,817	5,085
Increase / (decrease) in accruals	6,806	(2,723)
Net cash used in operating activities	<u>(9,526)</u>	<u>(16,415)</u>
Cash flows from financing activities		
Funds introduced by the shareholder (net)	9,526	16,415
Net cash from financing activities	<u>9,526</u>	<u>16,415</u>
Net movements in cash and cash equivalents	--	--
Cash and cash equivalents at beginning of year	--	--
Cash and cash equivalents at end of year	<u>--</u>	<u>--</u>

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 and 3.

INDIA STEAMSHIP INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) **INDIA STEAMSHIP INTERNATIONAL FZE** is a limited liability establishment registered in Hamriyah Free Zone, Sharjah, United Arab Emirates, pursuant to Emiree Decree No. 6 of 1995. The principal place of business is PO Box 42596, Hamriyah Free Zone, UAE. The establishment was registered on 11 May 2011 and commenced operations since then.
- b) The establishment's principal activity as per trade licence is ship chartering. However, there were no activities carried out by the establishment during the current year.
- c) The establishment is a wholly owned subsidiary of India Steamship PTE LTD; Singapore.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 April 2013, and the requirements of Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority.

b) Basis of measurement

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at the reporting date, the establishment has accumulated losses of USD 63,332 and net deficit of USD 4,526 in shareholder's funds. However, the shareholder has agreed to continue with the operations of the establishment and has agreed to provide continuing financial support to enable the establishment to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

c) Adoption of new International Financial Reporting Standards

Standards and interpretations effective for the current year

The International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the establishment are as follows:

- **IFRS 13: Fair Value Measurement**

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

INDIA STEAMSHIP INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

In accordance with the transitional provisions of IFRS 13, the establishment has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Other than the additional disclosures mentioned above, the change had no significant impact on the measurement of the establishment's assets and liabilities.

- Annual improvements to IFRSs 2009-2011 cycle
 - IAS 1: Presentation of Financial Statements: The improvements provide that the entity is required to present third statement of financial position only when:
 - a) the entity applies the accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements; and
 - b) the retrospective application, restatement or reclassification has material effect on the information in the third statement of financial position.

The amendments specify that related notes are not required to accompany the third statement of financial position.

In the current year, the establishment has applied certain new and revised IFRSs (see above). However there has not been any impact on the information in the statement of financial position as at 1 April 2013 and accordingly the third statement of financial position has not been presented.

New and revised IFRSs in issue but not yet effective

The following International Financial Reporting Standards, amendments thereto and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- IFRS 9: Financial instruments: (1 January 2015)

IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.
- Amendments to IAS 32: Offsetting Financial Assets and Liabilities (1 January 2014)

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and liabilities.

INDIA STEAMSHIP INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

d) **Functional and presentation currency**

Although the currency of the country of domicile is UAE Dirhams, these financial statements are presented in US Dollars which is considered to be the functional currency of the establishment.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

b) **Foreign currency transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

c) **Provisions**

A provision is recognized when the establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

d) **Financial Instruments**

Financial assets and financial liabilities are recognised when, and only when, the establishment becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

INDIA STEAMSHIP INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Financial assets

Loans and receivables

Other receivables

Other receivables are classified as loans and receivables and stated at cost as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable accounts.

Financial liabilities

At amortised cost

Other payables

Accruals are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Related party payables

Shareholder's current account balance, are stated at cost as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Equity

Equity instruments issued by the establishment are recorded at the value of proceeds received towards interest in share capital of the establishment.

Impairment of financial assets

All financial assets are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

e) **Fair value measurement**

The establishment discloses the fair value of financial instruments measured at amortised cost.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability.

INDIA STEAMSHIP INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Impairment of other receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the establishment from third parties (see note 6) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assesments of net recoverable amounts of all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from related assets.

	2014 USD	2013 USD
6. PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	899	746
Other receivables	1,381	4,351
	<u>2,280</u>	<u>5,097</u>

INDIA STEAMSHIP INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

7. RELATED PARTIES

The establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the parent company, companies under common ownership and/or management control and directors.

At the reporting date, balance in shareholder's current account was USD 52,000 (previous year USD 42,474).

The balance is unsecured and is expected to be settled in cash. Repayment and other terms are set out in notes 9 and 13.

At the reporting date significant balances with related parties were as follows:

Significant transactions with director during the year were as follows:

	2014 USD	2013 USD
Director's fees	<u>8,168</u>	<u>8,168</u>

Staff and administrative services are availed from a related party free of cost. The establishment also receives funds from related parties as working capital facilities, free of interest.

8. SHARE CAPITAL

Issued and paid up

1 share of AED 25,000 (Translated to US Dollars at fixed exchange rate of UAE Dirhams 3.673 = 1 US Dollars)

<u>6,806</u>	<u>6,806</u>
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9. SHAREHOLDER'S CURRENT ACCOUNT

At 1 April

42,474	26,059
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Funds introduced (net)

9,526	16,415
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At 31 March

<u>52,000</u>	<u>42,474</u>
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Shareholder's current account is interest free.

10. ACCRUALS

Provision for professional fees

<u>6,806</u>	<u>--</u>
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The entire accruals are due for payment in one year.

INDIA STEAMSHIP INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

11. MANAGEMENT OF CAPITAL

The establishment's objectives when managing capital are to ensure that the establishment continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position together with shareholder's current account. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The establishment is subject to externally imposed capital requirements as per Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995 (refer note 14).

Funds received from the shareholder are retained in the business, according to the business requirements and maintain capital at desired levels.

	2014 USD	2013 USD
12. OTHER OPERATING EXPENSES		
Operating lease expenses	6,806	6,806
Director's fees	8,168	8,168
Professional and legal expenses	3,675	3,675
Other operating expenses	500	128
	<u>19,149</u>	<u>18,777</u>

13. FINANCIAL INSTRUMENTS

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and receivables		At amortised cost	
	2014 USD	2013 USD	2014 USD	2013 USD
Other receivables	1,381	4,351	--	--
Accruals	--	--	6,806	--
Shareholder's current account	--	--	52,000	42,474
	<u>1,381</u>	<u>4,351</u>	<u>58,806</u>	<u>42,474</u>

Management of risk

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks and fair value interest rate risks).

INDIA STEAMSHIP INTERNATIONAL FZE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Management continuously monitors its cash flows to determine its cash requirements and makes arrangements with related parties in order to manage exposure to liquidity risk.

Credit risk is managed by assessing the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Exposure to foreign currency is minimised where possible by denominating such transactions in US dollars to which the UAE Dirham is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the establishment to concentrations of credit risk comprise other receivables.

There are no trade receivables as at the reporting date. The entire advances at the reporting date, are receivable from one party situated in the UAE.

At the reporting date, there are no trade receivables (previous period USD Nil).

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars or in UAE Dirhams which has fixed parity with US Dollars.

Interest rate risk

The establishment is not exposed to any interest rate risk.

Fair values

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the establishment's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

14. HAMRIYAH FREE ZONE AUTHORITY REGULATIONS

As the net assets of the company fall below 75% of its share capital, in accordance with Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Sharjah Emiree Decree No. 6 of 1995, the directors will initiate steps to remedy this situation.

For INDIA STEAMSHIP INTERNATIONAL FZE


DIRECTORS