

INDIA STEAMSHIP PTE. LTD.
Registration No. 200614546M
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2014
TOGETHER WITH REPORTS OF
DIRECTORS AND AUDITORS

INDIA STEAMSHIP PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

The directors present their report to the member together with the audited financial statements of India Steamship Pte. Ltd. (the "Company") for the financial year ended 31 March 2014.

Directors

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

Abhay Bajjal
Chandra Shekhar Nopany
Kesava Rao Satishchandra
Lee Kuan Jen Sebastian

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Direct interests		Deemed interests	
	At 1 April 2013	At 31 March 2014	At 1 April 2013	At 31 March 2014
Holding Company - Chambal Fertilisers and Chemical Limited <i>Ordinary shares of Rs 10 each</i>				
Chandra Shekhar Nopany	308,775	323,275	15,586,767	16,141,767

Except as disclosed above, no other director who held office at the end of the financial year had an interest in any shares in, or debentures of, the Company or its related corporations either at the beginning of the financial year or at the date of appointment if later or at the end of the financial year.

DIRECTORS' REPORT (Continued)

Directors' contractual benefits

Since the end of previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than those disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

Share options

During the financial year, no options to take up unissued shares of the Company was granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company. At the end of the financial year, there were no unissued shares of the Company under option.

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

On behalf of the Board of Directors



KESAVA RAO SATISHCHANDRA
Director



LEE KUAN JEN SEBASTIAN
Director

25 April 2014

Statement by Directors

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 6 to 28 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and of the results, changes in equity and cash flows of the Company for the financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



KESAVA RAO SATISHCHANDRA
Director



LEE KUAN JEN SEBASTIAN
Director

25 April 2014



Crowe Horwath First Trust LLP
Chartered Accountants of Singapore
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INDIA STEAMSHIP PTE. LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of India Steamship Pte. Ltd. (the "Company") set out on pages 6 to 28, which comprise the balance sheet of the Company as at 31 March 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Company for the financial 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 financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore 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 judgement, 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 the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on 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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INDIA STEAMSHIP PTE. LTD. (Continued)**

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014, and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Crowe Horwath First Trust LLP

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

25 April 2014

INDIA STEAMSHIP PTE. LTD.
(Incorporated in Singapore)

BALANCE SHEET
AS AT 31 MARCH 2014
(Amounts in USD)

	Note	2014 USD	2013 USD
EQUITY			
Capital and reserves attributable to equity holder of the Company			
Share capital	3	700,001	700,001
Retained earnings		316,171	3,856,824
TOTAL EQUITY		1,016,172	4,556,825
ASSETS			
Non-current asset			
Investment in subsidiary	4	6,806	6,806
Equipment	5	14	37
Current assets			
Trade receivables		11,874	146,449
Other receivables	6	65,432	92,619
Cash and cash equivalents	7	961,685	4,341,506
		1,038,991	4,580,574
TOTAL ASSETS		1,045,811	4,587,417
LIABILITIES			
Current Liabilities			
Other payables and accruals	8	29,639	30,592
NET ASSETS		1,016,172	4,556,825

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

INDIA STEAMSHIP PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014
(Amounts in USD)

	Note	2014 USD	2013 USD
Revenue	9	-	1,259,468
Other income	10	30,888	69,267
Vessel hire		-	(918,021)
Voyage expenses		-	(36,916)
Staff cost	11	(21,642)	(21,152)
Depreciation		(23)	(23)
Other expenses		(39,999)	(44,147)
		<hr/>	<hr/>
(Loss) / Profit before tax	12	(30,776)	308,476
Income tax expense	13	-	-
		<hr/>	<hr/>
(Loss) / Profit for the year, representing total comprehensive (loss) / income for the financial year		(30,776)	308,476
		<hr/>	<hr/>

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

INDIA STEAMSHIP PTE. LTD.
(Incorporated in Singapore)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014
(Amounts in USD)

	Note	Share capital USD	Retained earnings USD	Total USD
Balance as at 1 April 2012		700,001	3,548,348	4,248,349
Total comprehensive profit for the year		-	308,476	308,476
Balance as at 31 March 2013		700,001	3,856,824	4,556,825
Balance as at 1 April 2013		700,001	3,856,824	4,556,825
Total comprehensive loss for the year		-	(30,776)	(30,776)
Dividend	14	-	(3,509,877)	(3,509,877)
Balance as at 31 March 2014		700,001	316,171	1,016,172

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

INDIA STEAMSHIP PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014
(Amounts in USD)

	Note	2014 USD	2013 USD
Cash flows from operating activities			
(Loss) / Profit before tax		(30,776)	308,476
Adjustments for:			
Depreciation of equipment	5	23	23
Interest income		(29,324)	(63,729)
Operating (loss) / profit before working capital changes		(60,077)	244,770
Trade and other receivables		125,049	24,693
Trade and other payables		(953)	(103,696)
Net cash from in operating activities		64,019	165,767
Cash flow from investing activities			
Interest income		66,037	25,581
Fixed deposit withdrawal		-	499,630
Net cash from investing activities		66,037	525,211
Cash flows from financing activities			
Dividend paid		(3,509,877)	-
Due to ultimate holding company (non-trade)		-	(7,230)
Due from subsidiary (non-trade)		-	(16,415)
Net cash used in financing activities		(3,509,877)	(23,645)
Net (decrease) / increase in cash and cash equivalents		(3,379,821)	667,333
Cash and cash equivalents at beginning of year		4,341,506	3,674,173
Cash and cash equivalents at end of year	7	961,685	4,341,506

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

INDIA STEAMSHIP PTE. LTD.
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014
(Amounts in USD)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

India Steamship Pte. Ltd. (the "Company") is a private limited company domiciled and incorporated in Singapore. The address of the Company's registered office is at 24 Raffles Place, #24-03 Clifford Centre, Singapore 048621. The address of its principal place of business is at 3791 Jalan Bukit Merah, #05-07, E-Centre @ Redhill, Singapore 159471.

The Company is a wholly owned subsidiary of Chambal Fertilisers and Chemicals Limited, a limited company domiciled in India and listed on the Bombay Stock Exchange.

The principal activities of the Company are to carry on the business of ship owning and chartering and to provide ship management services. There have been no significant changes in the nature of the principal activities during the financial year. The principal activities of the subsidiary is disclosed in Note 4 to the financial statements.

These financial statements are separate financial statements of the Company. The Company, being a wholly owned subsidiary of a India incorporated company, has elected not to prepare consolidated financial statements incorporating the financial statements of the Company and its subsidiary for the financial year ended 31 March 2014 as allowed under FRS 27 Consolidated and Separate Financial Statements. The holding company, Chambal Fertilisers and Chemicals Limited, which registered office is situated at Gadepan, Distt. Kota, Rajasthan – 325 208 will be publishing consolidated financial statements available for public use that incorporates the financial statements of the Company and its subsidiary.

The financial statements for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 25 April 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the Singapore Financial Reporting Standards ("FRS"). The financial statements are presented in United States dollars ("USD").

The preparation of the financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new and revised standards

On 1 April 2013, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2014
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
FRS 111 <i>Joint Arrangements</i>	1 January 2014
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2014
Amendments to FRS 110, 111 and 112: <i>Transition Guidance</i>	1 January 2014
Amendments to FRS 110, 111 and 112: <i>Investment Entities</i>	1 January 2014
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 36 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
INT FRS 121 <i>Levies</i>	1 January 2014
Amendments to FRS 39 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
Amendment to FRS 19: <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Improvements to FRSs (January 2014)	
- Amendment to FRS 102 <i>Share-based Payment</i>	1 July 2014*
- Amendment to FRS 103 <i>Business Combination</i>	1 July 2014^
- Amendment to FRS 108 <i>Operating Segments</i>	1 July 2014
- Amendment to FRS 16 <i>Property, Plant and Equipment</i>	1 July 2014
- Amendment to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
- Amendment to FRS 38 <i>Intangible Assets</i>	1 July 2014
Improvements to FRSs (February 2014)	
- Amendment to FRS 103 – <i>Business Combinations</i>	1 July 2014
- Amendment to FRS 113 – <i>Fair Value Measurement</i>	1 July 2014
- Amendment to FRS 40 – <i>Investment Property</i>	1 July 2014

* The amendment applies prospectively to share-based payment transactions with a grant date on or after 1 July 2014

^ The amendment applies prospectively to business combination for which the acquisition date is on or after 1 July 2014

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Currency translation

(i) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in United States dollars ("USD"), which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in profit or loss.

Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Equipment

All items of equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment (Continued)

Equipment are depreciated using the straight-line method to write-off the cost of the assets over their estimated useful lives as follows:

	<u>Useful lives</u> <u>(Years)</u>
Office equipment	8
Computers and peripherals	3

The estimated useful life and depreciation method are reviewed and adjusted as appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within other income / (expenses).

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted or other available fair value indicators.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets

(i) Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are initially recognised at fair value plus, in the case of financial assets classified as held-to-maturity, directly attributable transaction costs.

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and for held-to-maturity investments, re-evaluates this designation at every balance sheet date. As at the balance sheet date, the Company has no financial assets in the categories of financial assets except in the category of loans and receivables.

(ii) Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables comprise cash and cash equivalents, trade and other receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

(i) Financial assets carried at amortised cost (Continued)

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. As at balance sheet date, the Company did not have any financial liabilities in the category of financial liabilities at fair value through profit or loss.

(ii) Subsequent measurement

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Provisions

A provision is recognised when the Company has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from charter hire is recognised on a straight line basis over the time duration stated in the charter hire agreements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from completed voyages freight income is recognised in full while in the case of incomplete voyages, revenue from freight income is recognised based on time proportionate basis. Demurrage income is considered as part of freight income.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

Employees' benefits

(i) Retirement benefits

The Company makes contribution to the Central Provident Fund (CPF) Scheme in Singapore, a defined contribution retirement schemes.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the balance sheet date.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authority, using tax rates and tax laws that have been substantively enacted by the balance sheet date. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Jobs credit scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt.

Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions, and short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income tax

The Company has exposure to income taxes in Singapore and India. Significant judgment is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made.

(ii) Critical judgements in applying the entity's accounting policies

In the opinion of management, there are no critical judgements made applying the Company's accounting policies, apart from those involving estimations, which have a significant effect on the amounts recognized in the financial statements.

3. SHARE CAPITAL

	2014		2013	
	Number of shares	USD	Number of shares	USD
Issued and fully paid ordinary shares				
At the beginning and end of financial year	1,079,962	700,001	1,079,962	700,001

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. INVESTMENT IN SUBSIDIARY

	Company	
	2014 USD	2013 USD
Unquoted equity interest, at cost At the beginning and end of financial year	6,806	6,806

Name of subsidiary	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2014 %	2013 %
India Steamship International FZE ⁽¹⁾	Ship Chartering, and ship management services	United Arab Emirates("UAE")	100	100

⁽¹⁾ Audited by PKF, a firm of Certified Public Accountants in the UAE for local statutory reporting.

5. EQUIPMENT

	Computer and peripherals	Office equipment	Total
	USD	USD	USD
Cost			
Balance as at 1.4.2012, 31.3.2013 and 31.3.2014	2,739	187	2,926
Accumulated depreciation			
As at 1.4.2012	2,739	127	2,866
Charge for the year	-	23	23
As at 31.3.2013	2,739	150	2,889
Charge for the year	-	23	23
As at 31.3.2014	2,739	173	2,912
Net carrying amount			
As at 31.3.2014	-	14	14
As at 31.3.2013	-	37	37
As at 1.4.2012	-	60	60

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. OTHER RECEIVABLES

	2014 USD	2013 USD
Other receivable	10,888	10,888
Advances to agents	1,109	1,109
Advances *	52,000	42,474
Interest receivables	1,435	38,148
	<u>65,432</u>	<u>92,619</u>

* The amount represents advances to the subsidiary, which is unsecured, interest free and repayable on demand.

7. CASH AND CASH EQUIVALENTS

	2014 USD	2013 USD
Fixed deposits	521,611	3,177,448
Cash and bank balances	440,074	1,164,058
Cash and cash equivalents	<u>961,685</u>	<u>4,341,506</u>

8. OTHER PAYABLES AND ACCRUALS

	2014 USD	2013 USD
Other payable	99	-
Other accrued expenses	29,540	30,592
	<u>29,639</u>	<u>30,592</u>

9. REVENUE

	2014 USD	2013 USD
Freight income	-	1,237,825
Demurrage income	-	21,643
	<u>-</u>	<u>1,259,468</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER INCOME

	2014 USD	2013 USD
Jobs credit scheme	782	1,537
Government grant	782	4,002
Interest income on fixed deposits	29,324	63,728
	<u>30,888</u>	<u>69,267</u>

11. STAFF COSTS

	2014 USD	2013 USD
Salaries and bonus	19,541	19,207
CPF	2,101	1,945
	<u>21,642</u>	<u>21,152</u>

Staff costs relates to a director's remuneration of USD21,642 (2013: USD21,152) is also disclosed in Note 15 to the financial statement as key management personnel compensation

12. (LOSS) / PROFIT BEFORE TAX

This is determined after charging the following:

	2014 USD	2013 USD
Depreciation of equipment	23	23
Directors' remuneration	21,642	21,152
Operating lease expenses	20,909	20,552
Foreign exchange loss, net	621	3,347
Legal and professional fees	16,949	15,893
	<u>60,144</u>	<u>61,067</u>

13. INCOME TAX EXPENSE

	2014 USD	2013 USD
Current tax expense	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. INCOME TAX EXPENSE (Continued)

The reconciliation of the tax expense and the product of accounting (loss) / profit multiplied by the applicable rate is as follows:

	2014 USD	2013 USD
(Loss) / Profit before tax	(30,776)	308,476
Tax at statutory rate of 17% (2013: 17%)	(5,231)	52,441
Tax effect of expenses not deductible for tax purposes	-	4
Income not subject to tax	(133)	-
Utilisation of unutilised tax losses	-	(52,445)
Deferred tax assets not recognised	5,364	-
	-	-

Deferred tax assets have not been recognised in the financial statements

The Company has the following temporary differences available for offset against future taxable profits, subject to agreement by the tax authorities and compliance with the relevant provisions of the Singapore Income Tax Act.

	2014 USD	2013 USD
Estimated unutilised tax losses	146,065	114,530
Deferred tax assets not recognised at tax rate of 17%	24,835	19,470

Deferred tax asset has not been recognised as there is no reasonable certainty of its recovery in future periods.

14. DIVIDEND

	2014 USD	2013 USD
Interim exempt (one-tier) paid in respect of current financial year of USD 3.25 per share (2013: Nil)	3,509,877	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statement, significant transactions with a related party and company, on terms agreed between the parties, were as follows:

	2014 USD	2013 USD
Advances to a subsidiary	9,526	-
Key management personnel compensation (Note 11)	21,642	21,152

The remuneration of certain directors, who are also the key management personnel, is paid by related companies.

16. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operation and the use of financial instruments. The directors reviews and agrees policies and procedures for the management of each of these risks are summarised below.

It is the Company's policy not to trade in derivative contracts.

(i) **Market risk**

(a) *Foreign exchange risk*

As the Company's transactions are primarily denominated in United States dollars, it is subject to minimal foreign exchange exposure. The Company has cash and bank balances denominated in Singapore dollars and the United States dollars accordingly. The Company's balance sheet can be affected by movements in these exchange rates.

The Company has not entered into any derivate instruments for hedging and trading purposes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

2014	Singapore dollars	United States dollars	Total
	USD	USD	USD
Financial assets			
Trade receivables	-	11,874	11,874
Other receivables	-	65,432	65,432
Cash and bank balances	16,876	944,809	961,685
	16,876	1,022,115	1,038,991
Financial liabilities			
Other payables and accruals	-	29,639	29,639
Net financial assets	16,876	992,476	1,009,352
Less: Net financial assets denominated in the Company's functional currency	-	(992,476)	(992,476)
Foreign currency exposure	16,876	-	16,876
2013			
	Singapore dollars	United States dollars	Total
	USD	USD	USD
Financial assets			
Trade receivables	-	146,449	146,449
Other receivables	-	92,619	92,619
Cash and bank balances	16,817	4,324,687	4,341,504
	16,817	4,563,755	4,580,572
Financial liabilities			
Other payables and accruals	-	30,592	30,592
Net financial assets	16,817	4,533,163	4,549,980
Less: Net financial assets denominated in the Company's functional currency	-	(4,533,163)	(4,533,163)
Foreign currency exposure	16,817	-	16,817

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity

As the Company transacted mainly in United States dollars, the Company has minimum insignificant exposure in Singapore dollars for the overhead expenses incurred in the office located in Singapore. Consequently, sensitivity analysis in foreign exchange risk is not necessary.

(b) Interest rate risk

The Company's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Company constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 31 March 2014, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding. The Company does not use derivative financial instruments to hedge its interest risk.

The following table sets out the carrying amount, by maturity, of the Company's financial instruments, that are exposed to interest rate risk:

	2014	2013
	USD	USD
<i>Within one year – fixed rates</i>		
Fixed deposits (Note 7)	521,611	3,177,448

Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risks.

(ii) Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The financial liabilities of the Company as at 31 March 2014 are repayable on demand or done within 1 year from the balance sheet date.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties. In addition, receivable balances are monitored on an ongoing basis such that the Company's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

The Company's major classes of financial assets are cash and cash equivalents which represent the Company's maximum exposure to credit risk in relation to financial assets. Cash and cash equivalents are placed with reputable financial institutions. Therefore, credit risk arises mainly from the inability of the financial institution to make payment when due.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. No other financial assets carry a significant exposure to credit risk.

The Company's trade receivable comprises 1 debtor (2013: 1 debtor) that represents 100% (2013: 100%) of the trade receivable as at balance sheet date. The carrying amount of trade receivable was past due but not impaired as at balance sheet. Based on past experience, the management believes that no impairment allowance is necessary as there has been no changes in credit quality and the balances are considered recoverable. The Company does not hold any collateral over these balances.

(iv) Financial instruments by category

	2014 USD	2013 USD
Loans and receivables (including cash and bank balances)	1,038,991	4,580,574
Financial liabilities at amortised cost	29,639	30,592

Capital risk management policies and objectives

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of cash at bank and equity comprising issued capital and reserves.

The Board reviews the capital structure on an annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the Board, the Company will balance its overall capital structure, where feasible, through the payment of dividends and new share as well as the issue of new debt.

The Company's overall strategy remains unchanged from 2013.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

(i) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

At balance sheet date, there are no financial instruments in this category.

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, trade and other receivables, other payables and accruals are reasonable approximations of fair values due to the relatively short-term maturity of these financial instruments.

(iii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximations of fair value

At balance sheet date, there are no financial instruments in this category.