

# **INDIA STEAMSHIP INTERNATIONAL FZE**

**Financial statements and reports  
Year ended 31 March 2016**

## 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 2016, 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 19.

### *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 their compliance with the applicable provisions of the Implementing Rules and Regulations issued by the Hamriyah Free Zone Authority pursuant to Sharjah Emiree Decree No.6 of 1995, 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 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on other legal and regulatory requirements**

We confirm that 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 (as amended). Also in our opinion, proper books of account and other records have been maintained in accordance with the said regulation.



PKF

Dubai  
United Arab Emirates  
27 April 2016

# INDIA STEAMSHIP INTERNATIONAL FZE

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	2016 USD	2015 USD
<b>Current assets</b>			
Inventories	6	937,427	--
Trade and other receivables	7	5,243,254	5,501
Cash and cash equivalents	9	1,153,301	--
		<u>7,333,982</u>	<u>5,501</u>
<b>Total assets</b>		<u>7,333,982</u>	<u>5,501</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	10	6,806	6,806
Retained earnings/ (accumulated losses)		3,685,684	(82,305)
Equity funds/ (deficit)		<u>3,692,490</u>	<u>(75,499)</u>
Shareholder's current account	11	--	81,000
<b>Total shareholder's funds</b>		<u>3,692,490</u>	<u>5,501</u>
<b>Current liabilities</b>			
Loan from shareholder	12	3,124,350	--
Trade and other payables	13	517,142	--
		<u>3,641,492</u>	<u>--</u>
<b>Total liabilities</b>		<u>3,641,492</u>	<u>--</u>
<b>Total shareholder's funds and liabilities</b>		<u>7,333,982</u>	<u>5,501</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.

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 ... 07 APR 2016

For **INDIA STEAMSHIP INTERNATIONAL FZE**  
On behalf of the Board of Directors

*K.S. Satishchandra*  
Kesava Rao Satishchandra  
Director



*Lee Kuan Jen Sebastian*  
Lee Kuan Jen Sebastian  
Director

## INDIA STEAMSHIP INTERNATIONAL FZE

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 USD	2015 USD
Revenue	15	23,304,290	--
Direct costs	16	(19,472,977)	--
Other income	17	89,000	--
Administrative expenses	18	(27,974)	(18,973)
Interest on loan from shareholder		(124,350)	--
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>3,767,989</b>	<b>(18,973)</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the year		--	--
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3,767,989</b>	<b>(18,973)</b>

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 2016

	Share capital USD	Retained earnings USD	Total USD
Balance at 1 April 2014	6,806	(63,332)	(56,526)
Total comprehensive income for the year		(18,973)	(18,973)
Balance at 31 March 2015	6,806	(82,305)	(75,499)
Total comprehensive income for the year	--	3,767,989	3,767,989
Balance at 31 March 2016	<b>6,806</b>	<b>3,685,684</b>	<b>3,692,490</b>

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 2016

	2016 USD	2015 USD
<b>Cash flows from operating activities</b>		
Profit/ (loss) for the year	3,767,989	(18,973)
Adjustment for:		
Interest on loan from shareholder	124,350	--
Shareholder's current account balance waived	(88,800)	--
	<u>3,803,539</u>	<u>(18,973)</u>
Increase in inventories	(937,427)	--
Increase in trade and other receivables	(5,237,753)	(3,221)
Increase/(decrease) in trade and other payables	517,142	(6,806)
Net cash used in operating activities	<u>(1,854,499)</u>	<u>(29,000)</u>
<b>Cash flows from financing activities</b>		
Loan from shareholder (net)	3,000,000	--
Funds introduced by the shareholder (net)	7,800	29,000
Net cash from financing activities	<u>3,007,800</u>	<u>29,000</u>
<b>Net increase in cash and cash equivalents</b>	<b>1,153,301</b>	--
<b>Cash and cash equivalents at beginning of year</b>	--	--
<b>Cash and cash equivalents at end of year (note 9)</b>	<u><b>1,153,301</b></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 2016

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### 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 principle activities of the establishment is to carry on the business of ship chartering and to provide ship management services.
- c) The establishment is a wholly owned subsidiary of Chambal Fertilisers and Chemicals Limited, a company incorporated in India (previous year it was a 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 1 January 2015, 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.

#### 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:

- Annual Improvements 2010–2012 Cycle
  - IFRS 13: Fair value measurement: Short-term receivables and payables  
The amendment to IFRS 13 clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the establishment.
  - IAS 24: Related Party Disclosures: Key management personnel  
Clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.



# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### *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.

- Amendments to IAS 1 Disclosure Initiative (1 January 2016)  
The amendments to IAS 1 Presentation of Financial Statements clarify existing IAS 1 requirements in relation to:
  - The materiality requirements in IAS 1
  - That specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated
  - That entities have flexibility as to the order in which they present the notes to financial statements
  - That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss
  
- Annual Improvements 2012–2014 Cycle (1 January 2016)
  - IFRS 7: Financial Instruments: Disclosures
    - *Servicing contracts*  
The amendment clarifies that a servicing contract that includes a fee, can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.
  
- IFRS 9: Financial instruments: (1 January 2018)  
IFRS 9 requires financial assets to be classified into two measurement categories: those measured 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.

# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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- **IFRS 15: Revenue from Contracts with Customers (1 January 2018)**  
The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.
- **IFRS 16: Leases (1 January 2019)**  
IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short- term leases (for a period of twelve months or less) and b) Leases of low value assets.

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) **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost, in the case of inventories of bunkers remaining on board and lubricants is arrived at using Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling prices less any estimated cost of disposal.

b) **Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the establishment and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

***Time charter***

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

# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### ***Voyage charter***

Revenue and expenses relating to completed voyages is recognised in full while in the case of incomplete voyages, revenue and expenses are recognised based on time proportionate basis. However, losses if any are provided for. Demurrage income is considered as part of freight income.

### c) **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.

### d) **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.

### e) **Provisions**

A provision is recognised 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 recognised 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.

### f) **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 2016

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### ***Financial assets***

#### ***Loans and receivables***

##### *Trade and other receivables*

Trade and 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 amounts.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise bank current accounts.

### ***Financial liabilities***

#### ***At amortised cost***

##### *Trade and other payables*

Trade and other payables, retention payable and security deposit from tenants 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 loan and 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.

#### **g) Fair value measurement**

The concern 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:

# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

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 loans and receivables**

Management regularly undertakes a review of the amounts of loans and receivables owed to the establishment from third parties (see note 7) 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**

Assessment 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.

#### 6. **INVENTORIES**

Bunkers

2016  
USD

937,427

2015  
USD

—

# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	2016 USD	2015 USD
<b>7. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	5,091,541	--
Advances to agents	57,916	--
Other receivables	61,089	4,602
Prepayments	32,708	899
	<u>5,243,254</u>	<u>5,501</u>

An age analysis of trade receivables that are past due but not impaired is as follows:

0 to 90 days	4,838,676	--
Over 90 days	252,865	--

At the reporting date there are no trade receivables considered to be impaired (previous year USD Nil) and there are no trade receivables that are not past due and not impaired (previous year USD Nil).

The company does not hold any collateral against trade receivables (previous year USD Nil).

## 8. 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, fellow subsidiary, companies under common ownership and/or common management control and directors.

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

	Shareholder USD	Companies under common management control USD	Total 2016 USD	Total 2015 USD
Included in trade receivables	--	3,197,369	3,197,369	--
Loan from shareholder	3,124,350	--	3,124,350	--
Shareholder's current account	81,000	--	--	81,000

# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Significant transactions with related parties during the year were as follows:

	Shareholder	Fellow subsidiary	Companies under common management control	Directors	Total 2016	Total 2015
	USD	USD	USD	USD	USD	USD
Revenue (services rendered)	--	--	12,481,132	--	12,481,132	--
Direct costs (services received)	--	981,399	--	--	981,399	--
Directors' fees	--	--	--	4,087	4,087	--
Interest on loan	124,350	--	--	8,168	124,350	8,168
Shareholder's current account balance waived	88,800	--	--	--	88,800	--

Certain administrative and staff related services are availed from a related party free of cost.

	2016 USD	2015 USD
<b>9. CASH AND CASH EQUIVALENTS</b>		
Bank balances in current accounts	<u>1,153,301</u>	--
<b>10. SHARE CAPITAL</b>		
<b>Issued and paid up</b>		
25 shares of AED 1,000 held by Chambal Fertilisers and Chemicals Limited, India (translated to US Dollars at fixed exchange rate of UAE Dirhams 3.673 = 1 US Dollars)	<u>6,806</u>	6,806

During the previous year the shareholder was India Steamship PTE Ltd., Singapore.

	2016 USD	2015 USD
<b>11. SHAREHOLDER'S CURRENT ACCOUNT</b>		
Opening balance	81,000	52,000
Funds introduced (net)	7,800	29,000
Balance waived	(88,800)	--
Closing balance	<u>--</u>	<u>81,000</u>

Shareholder's current account in previous year were interest free.

# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	2016 USD	2015 USD
<b>12. LOAN FROM SHAREHOLDER</b>		
Loan received during the year	3,000,000	--
Interest on loan credited	124,350	--
Closing balance	<u>3,124,350</u>	<u>--</u>

This represents unsecured loan received from the shareholder, Chambal Fertilisers and Chemicals Limited. The loan carries fixed interest rate of 9% per annum. The loan is to be repaid in full alongwith interest on maturity in May 2016.

<b>13. TRADE AND OTHER PAYABLES</b>		
Trade payables	408,037	--
Accruals	109,105	--
	<u>517,142</u>	<u>--</u>

The entire trade and other payables are were due for settlement in one year.

### 14. 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, comprises equity funds as presented in the statement of financial position together with shareholder's current and loan 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. The establishment has complied with all capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from shareholder are retained in the business according to the business requirements and to maintain capital at desired levels.

<b>15. REVENUE</b>		
Voyage chartering	<u>23,304,290</u>	<u>--</u>
<b>16. DIRECT COSTS</b>		
Vessel hire charges	12,625,769	--
Bunkering costs	2,585,008	--
Other direct costs	4,262,200	--
	<u>19,472,977</u>	<u>--</u>



# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	2016 USD	2015 USD
<b>17. OTHER INCOME</b>		
Shareholder's current account balance waived	88,800	--
Net exchange gains	200	--
	<u>89,000</u>	
<b>18. ADMINISTRATIVE EXPENSES</b>		
Operating lease expenses	6,806	6,806
Director's fees	4,087	8,168
Professional and legal expenses	6,959	3,675
Other operating expenses	10,122	324
	<u>27,974</u>	<u>18,973</u>

### 19. 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	
	2016 USD	2015 USD	2016 USD	2015 USD
Trade and other receivables	5,091,541	4,602	--	--
Cash and cash equivalents	1,153,301	--	--	--
Trade and other payables	--	--	517,142	--
Loan from shareholder	--	--	3,124,350	--
Shareholder's current account	--	--	--	81,000
	<u>6,244,842</u>	<u>4,602</u>	<u>3,641,492</u>	<u>81,000</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 fair value interest rate risks).

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.

# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

The establishment buys and sells goods and services in foreign currencies. Exposure 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 bank accounts and trade and other receivables.

The establishment's bank accounts are placed with high credit quality financial institutions.

Trade and other receivables are stated net of the allowance for doubtful recoveries. At the reporting date, the establishment's maximum exposure to credit risk from receivables situated outside the UAE is USD 5,091,541 (previous year USD Nil).

At reporting date 100% of trade receivables was due from three customers (previous year there were no trade debtors).

At the reporting date, there is no significant concentration of credit risk from any industry as the establishment customers are from diverse industries.

### **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**

Loan from shareholder is subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value 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.

# INDIA STEAMSHIP INTERNATIONAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### 20 VESSEL HIRE COMMITMENTS

The establishment has entered into non-cancellable vessel charter agreement for which this minimum hire payments are as follows:

	2016 USD	2015 USD
Not later than one year	<u>7,174,634</u>	<u>--</u>

For **INDIA STEAMSHIP INTERNATIONAL FZE**

On behalf of the Board of Directors



Kesava Rao Satishchandra  
Director



Lee Kuan Jen Sebastian  
Director

