

INDEPENDENT AUDITOR'S REPORT

To the Members of India Steamship International FZE

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of India Steamship International FZE ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information for the year ended on that date ("the Financial Statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the Financial Statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account; and
- (d) In our opinion, the Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2017;

Other Matter

The Financial Statements have been adjusted for adjustments pursuant to conversion of the books of account maintained by the Company under Local GAAP and audited by another firm of auditors under Local Laws of United Arab Emirates to Ind AS and conversion from local currency i.e. USD to Indian Rupees as explained under Note 2 under Basis of Preparation. Our opinion on the Financial Statements, in so far as it relates to the amounts and disclosures included in the Financial Statements, and our report in terms of sub-section (3) of Section 143 of the Act, is based solely on the reports of such other auditors.

This report is furnished for the purpose of including the said financials in the financial statements of the holding company (Chambal Fertilisers and Chemicals Ltd.) through consolidation and compliance of the applicable provision of the Companies Act 2013 by the holding company.

For KM & CO
Chartered Accountants
Firm Regn. No. 024883N

Kapil Mittal
Partner
Membership No. 502221
Place: New Delhi
Date:03/05/2018

INDIA STEAMSHIP INTERNATIONAL FZE
(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Notes	As at	As at	As at	As at
		March 31, 2018 (In USD)	March 31, 2017 (In USD)	March 31, 2018 (Rs. in Lacs)	March 31, 2017 (Rs. in Lacs)
ASSETS					
Current assets					
(a) Financial assets	3				
(i) Trade receivables	3(i)	-	2,57,123	-	166.76
(ii) Cash and cash equivalents	3(ii)	17,726	1,43,070	11.55	92.79
(b) Other current assets	4	-	22,031	-	14.29
Total current assets		17,726	4,22,224	11.55	273.84
Total Assets		17,726	4,22,224	11.55	273.84
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	5(i)	6,806	6,806	4.25	4.41
(b) Other equity Reserves and Surplus	5(ii)	3,561	2,82,311	2.50	183.09
Total equity		10,367	2,89,117	6.75	187.50
Liabilities					
Current liabilities					
(a) Financial liabilities	6				
(i) Trade payables	6(i)	7,359	33,107	4.80	21.47
(ii) Other financial liabilities	6(ii)	-	1,00,000	-	64.87
Total current liabilities		7,359	1,33,107	4.80	86.34
Total Liabilities		7,359	1,33,107	4.80	86.34
Total Equity and Liabilities		17,726	4,22,224	11.55	273.84

Summary of significant accounting policies 1&2

The accompanying notes and accounting policies form an integral part of the financial statements

As per our report of even date

For KM & CO

Chartered Accountants

Firm's Registration No.: 024883N

**For and on behalf of the Board of Directors of
India Steamship International FZE**

per Kapil Mittal

Partner

Membership No. 502221

**K. Satishchandra
Director**

**Lee Kuan Jen Sebastian
Director**

Place: New Delhi

Date: May 3, 2018

INDIA STEAMSHIP INTERNATIONAL FZE
(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Notes	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Continuing operations					
Revenue from operations	7	-	85,25,201	-	5,719.52
Other income	8	2,561	-	1.65	-
Total Income		2,561	85,25,201	1.65	5,719.52
EXPENSES					
Freight etc. on chartered-in ships		-	73,57,875	-	4,936.37
Bunker		-	14,67,162	-	984.31
Port dues		-	14,37,541	-	964.44
Brokerage		-	54,242	-	36.39
Employee benefits expense	9	3,053	2,992	1.97	2.01
Other expenses	10	28,258	27,137	18.21	18.20
Finance costs	11	-	81,625	-	54.76
Total expenses		31,311	1,04,28,574	20.18	6,996.48
(Loss) before tax		(28,750)	(19,03,373)	(18.53)	(1,276.96)
Income tax expenses					
Current tax		-	-	-	-
Total tax expense		-	-	-	-
(Loss) for the year		(28,750)	(19,03,373)	(18.53)	(1,276.96)
Other Comprehensive Income					
Items that will be reclassified to profit or loss					
Exchange difference in translating these financial statements		-	-	(0.93)	(19.20)
Other Comprehensive Income for the year, net of tax		-	-	(0.93)	(19.20)
Total Comprehensive Income for the year		(28,750)	(19,03,373)	(19.46)	(1,296.16)
Earning per equity share	12				
Basic earning per share		(1,150)	(76,135)	(74,120.00)	(51,07,840.00)
Diluted earning per share		(1,150)	(76,135)	(74,120.00)	(51,07,840.00)

Summary of significant accounting policies

1&2

The accompanying notes and accounting policies form an integral part of the financial statements

As per our report of even date

For KM & CO

Chartered Accountants

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For and on behalf of the Board of Directors of

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Partner

Membership No. 502221

K. Satishchandra

Director

Lee Kuan Jen Sebastian

Director

Place: New Delhi

Date: May 3, 2018

INDIA STEAMSHIP INTERNATIONAL FZE

(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Notes	Year ended	Year ended	Year ended	Year ended
		March 31, 2018 (In USD)	March 31, 2017 (In USD)	March 31, 2018 (Rs. in Lacs)	March 31, 2017 (Rs. in Lacs)
A. Cash flow from operating activities					
(Loss) before income tax		(28,750)	(19,03,373)	(18.53)	(1,276.96)
Adjustments for					
Foreign currency translation reserve		-	-	(1.55)	(3.33)
Finance costs	11	-	81,625	-	54.76
Changes in operating assets and liabilities					
Decrease in trade receivables	3(i)	2,57,123	48,34,418	166.76	3,206.90
Decrease in inventories		-	9,37,427	-	621.14
(Decrease) in trade payables	6(i)	(25,748)	(4,84,034)	(16.67)	(321.19)
Decrease in other current assets	4	22,031	1,29,681	14.29	86.24
Cash generated from operations		2,24,656	35,95,744	144.30	2,367.56
Income taxes paid		-	-	-	-
Net cash generated from operating activities		2,24,656	35,95,744	144.30	2,367.56
B. Cash flow from investing activities					
Net cash flow from investing activities		-	-	-	-
C. Cash flow from financing activities					
Repayments of borrowings		-	(30,00,000)	-	(1,987.80)
Finance costs	11	-	(2,05,975)	-	(137.15)
Dividend paid	5(ii)	(3,50,000)	(14,00,000)	(226.00)	(897.79)
Net cash (used in) financing activities		(3,50,000)	(46,05,975)	(226.00)	(3,022.74)
Net (decrease) in cash and cash equivalents (A+B+C)		(1,25,344)	(10,10,231)	(81.70)	(655.18)
Cash and cash equivalents at the beginning of the financial year		1,43,070	11,53,301	92.79	764.18
Effect of exchange rate changes on cash and cash equivalents		-	-	0.46	(16.21)
Cash and cash equivalent at end of the year		17,726	1,43,070	11.55	92.79
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>					
Cash and cash equivalents as per above comprise of the following		Year ended	Year ended	Year ended	Year ended
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		(In USD)	(In USD)	(Rs. in Lacs)	(Rs. in Lacs)
Cash and cash equivalents (note 3(ii))		17,726	1,43,070	11.55	92.79
Balance per statement of cash flows		17,726	1,43,070	11.55	92.79

Summary of significant accounting policies
1&2
The accompanying notes and accounting policies form an integral part of the financial statements

As per our report of even date

For KM & CO

Chartered Accountants

Firm's Registration No.: 024883N

**For and on behalf of the Board of Directors of
India Steamship International FZE**
per Kapil Mittal

Partner

Membership No. 502221

K. Satishchandra
Director
Lee Kuan Jen Sebastian
Director

Place: New Delhi

Date: May 3, 2018

INDIA STEAMSHIP INTERNATIONAL FZE
(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

	Notes	Amount in USD	Amount Rs. in Lacs
As at April, 2016		6,806	4.51
Changes in equity share capital	9(i)	-	(0.10)
As at March 31, 2017		6,806	4.41
Changes in equity share capital	9(i)	-	(0.16)
As at March 31, 2018		6,806	4.25

B. Other equity (Amount in USD)

Particulars	Notes	Reserves and Surplus		Total
		Retained earnings	Other reserves	
Balance as at April 1, 2016		36,69,309	16,375	36,85,684
Profit for the year		(19,03,373)	-	(19,03,373)
Other comprehensive income/ Foreign currency translation reserve		-	-	-
Total comprehensive income for the year		(19,03,373)	-	(19,03,373)
Transfer from retained earning to general reserve		-	-	-
Transactions with owners in their capacity as owners:				
Dividend paid	9(ii)	(15,00,000)	-	(15,00,000)
Balance at March 31, 2017		2,65,936	16,375	2,82,311
Profit for the year		(28,750)	-	(28,750)
Other comprehensive income/ Foreign currency translation reserve		-	-	-
Total comprehensive income for the year		(28,750)	-	(28,750)
Transactions with owners in their capacity as owners:				
Dividend paid		(2,50,000)	-	(2,50,000)
Balance at March 31, 2018		(12,814)	16,375	3,561

(Amount - Rs. in Lacs)

Particulars	Notes	Reserves and Surplus		Items of OCI	Total
		Retained earnings	Other reserves	Foreign currency translation reserve	
Balance as at April 1, 2016		2,404.32	10.85	26.96	2,442.13
Profit for the year		(1,276.96)	-	-	(1,276.96)
Other comprehensive income/ Foreign currency translation reserve		-	(0.23)	(19.20)	(19.43)
Total comprehensive income for the year		(1,276.96)	(0.23)	(19.20)	(1,296.39)
Transfer from retained earning to general reserve		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividend paid	9(ii)	(962.65)	-	-	(962.65)
Balance at March 31, 2017		164.71	10.62	7.76	183.09
Profit for the year		(18.53)	-	-	(18.53)
Other comprehensive income/ Foreign currency translation reserve		-	(0.38)	(0.55)	(0.93)
Total comprehensive income for the year		(18.53)	(0.38)	(0.55)	(19.46)
Transactions with owners in their capacity as owners:					
Dividend paid		(161.13)	-	-	(161.13)
Balance at March 31, 2018		(14.95)	10.24	7.21	2.50

As per our report of even date

For KM & CO

Chartered Accountants

Firm's Registration No.: 024883N

For and on behalf of the Board of Directors of

India Steamship International FZE

per Kapil Mittal

Partner

Membership No. 502221

K. Satishchandra

Director

Lee Kuan Jen Sebastian

Director

Place: New Delhi

Date: May 3, 2018

INDIA STEAMSHIP INTERNATIONAL FZE
(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)
Notes to the Financial Statements for the year ended March 31, 2018

1. Corporate Information

India Steamship International FZE – A wholly owned subsidiary of Chambal Fertilisers and Chemicals Limited is engaged in the Shipping Business.

2. Significant Accounting Policies

(a). Basis of Preparation

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (India Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2017. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 (“the Act”).

The financial statements have been prepared on an accrual basis and under the historical cost basis.

The functional currency of the Company is USD. These financial statements have been prepared for compliance under provisions of Section 129(3) of the Act and have been restated to Indian Rupees with following basis:

- Assets and Liabilities except Share Capital has been recognized at exchange rate prevailing at the year-end.
- Share Capital and opening reserves have been recognized at the exchange rate prevailing at the date of transition i.e. April 1, 2015.

The translation of reporting currency from USD to Indian Rupees is included solely for the convenience of readers to financial statements of the Company in India and has been performed by using foreign currency rates of Rs. 65.18 (previous year: Rs. 64.855) for assets and liabilities other than Share Capital and opening reserves and Rs. 64.4500 (previous year: Rs. 67.0896) for Income and Expenses.

Such translation shall not be construed as representation that the rupee amount represents or have been or could be converted into USD at that or any other rate.

INDIA STEAMSHIP INTERNATIONAL FZE
(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)
Notes to the Financial Statements for the year ended March 31, 2018

(b). Summary of significant Accounting Policies

i) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii) Classification of Assets and Liabilities as Current and Non-Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

iii) Inventories

Inventories are valued as follows:

Bunkers remaining on board	-	Lower of cost and net realizable value. Cost is determined on weighted average basis.
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iv) Loans and Borrowing Costs

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

INDIA STEAMSHIP INTERNATIONAL FZE
(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)
Notes to the Financial Statements for the year ended March 31, 2018

v) Revenue Recognition

Revenue earnings and direct operating expenses are recognized in respect of all voyages irrespective of completion of voyages.

In case of voyage charter, revenue, brokerage and port expenses are recognized on proportionate number of days of respective voyage. Bunker, is recognized on actual quantity consumed. In case of time charter (including cost plus charter) revenue is recognized on time basis. Dispatch money/demurrage is considered as part of freight.

Insurance claims receivable are accounted for on the basis of claims lodged with the underwriters where recoveries are reasonably certain.

vi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments-

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in four categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit or loss (FVTPL).

INDIA STEAMSHIP INTERNATIONAL FZE
(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)
Notes to the Financial Statements for the year ended March 31, 2018

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

INDIA STEAMSHIP INTERNATIONAL FZE
(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)
Notes to the Financial Statements for the year ended March 31, 2018

vii) 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 indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU 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 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 of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

viii) Income Tax

Current income tax for current and prior periods is recognized 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 reporting date in the country where the company operates and generates taxable income. Current income tax is recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

-When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

-In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

INDIA STEAMSHIP INTERNATIONAL FZE
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Notes to the Financial Statements for the year ended March 31, 2018

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and

interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

ix) Provisions

A provision is recognized when the enterprise has a present obligation (legal or constructive) as a result of past event, 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

x) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

INDIA STEAMSHIP INTERNATIONAL FZE

(A wholly owned subsidiary of Chambal Fertilisers and Chemicals Ltd)

Notes to financial statements for the year ended March 31, 2018**Note 3: Financial assets****3 (i) Trade receivable**

Particulars	As at March 31, 2018 (In USD)	As at March 31, 2017 (In USD)	As at March 31, 2018 (Rs. in Lacs)	As at March 31, 2017 (Rs. in Lacs)
Trade Receivables	-	2,57,123	-	166.76
Total Receivables	-	2,57,123	-	166.76
Current portion	-	2,57,123	-	166.76
Non-current portion	-	-	-	-

Break-up of security details

Particulars	As at March 31, 2018 (In USD)	As at March 31, 2017 (In USD)	As at March 31, 2018 (Rs. in Lacs)	As at March 31, 2017 (Rs. in Lacs)
Secured, considered good	-	-	-	-
Unsecured, considered good	-	2,57,123	-	166.76
Doubtful	-	-	-	-
Total trade receivables	-	2,57,123	-	166.76

3(ii) Cash and cash equivalent

Particulars	As at March 31, 2018 (In USD)	As at March 31, 2017 (In USD)	As at March 31, 2018 (Rs. in Lacs)	As at March 31, 2017 (Rs. in Lacs)
Balances with banks:				
- in current accounts	17,726	1,43,070	11.55	92.79
Total cash and cash equivalents	17,726	1,43,070	11.55	92.79

Note 4: Other current assets

Particulars	As at March 31, 2018 (In USD)	As at March 31, 2017 (In USD)	As at March 31, 2018 (Rs. in Lacs)	As at March 31, 2017 (Rs. in Lacs)
Prepaid expenses	-	728	-	0.47
Advance recoverable	-	21,303	-	13.82
Total other non-current assets	-	22,031	-	14.29

INDIA STEAMSHIP INTERNATIONAL FZE
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Notes to financial statements for the year ended March 31, 2018

Note 5: Equity share capital and other equity

5(i) Equity share capital

(a) Movements in equity share capital (Ordinary Shares of Arab Emirates Dirham 1000 each)

	Number of shares	Amount in USD	Amount Rs. in Lacs
As at April 1, 2016	25	6,806	4.51
Increase/(Decrease) during the year	-	-	(0.10)
As at March 31, 2017	25	6,806	4.41
Increase/(Decrease) during the year	-	-	(0.16)
As at March 31, 2018	25	6,806	4.25

Terms and rights attached to equity shares

The Company has only one class of shares having a par value of Arab Emirates Dirham 1000 per share fully paid up. 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.

(b) Details of shareholders holding more than 5% shares in the Company

	March 31, 2018		March 31, 2017	
	Number of shares	% share holding	Number of shares	% share holding
Chambal Fertilisers and Chemicals Limited	25	100%	25	100%

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INDIA STEAMSHIP INTERNATIONAL FZE

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Notes to financial statements for the year ended March 31, 2018

5(ii) Reserves and Surplus

Particulars	As at	As at	As at	As at
	March 31, 2018 (In USD)	March 31, 2017 (In USD)	March 31, 2018 (Rs. in Lacs)	March 31, 2017 (Rs. in Lacs)
Retained earnings	(12,814)	2,65,936	(14.95)	164.71
Other reserves	16,375	16,375	10.24	10.62
Foreign Currency Translation Reserve	-	-	7.21	7.76
Total reserves and surplus	3,561	2,82,311	2.50	183.09

(a) Retained earning

Particulars	As at	As at	As at	As at
	March 31, 2018 (In USD)	March 31, 2017 (In USD)	March 31, 2018 (Rs. in Lacs)	March 31, 2017 (Rs. in Lacs)
Opening balance	2,65,936	36,69,309	164.71	2,404.32
Net profit for the year	(28,750)	(19,03,373)	(18.53)	(1,276.96)
Items of other comprehensive income recognised directly in retained earnings	-	-	-	-
Transfer to legal reserve	-	-	-	-
Dividend on equity shares for previous year	(2,50,000)	(15,00,000)	(161.13)	(962.65)
Closing balance	(12,814)	2,65,936	(14.95)	164.71

(b) Other reserves

Particulars	As at	As at	As at	As at
	March 31, 2018 (In USD)	March 31, 2017 (In USD)	March 31, 2018 (Rs. in Lacs)	March 31, 2017 (Rs. in Lacs)
Opening balance	16,375	16,375	10.62	10.85
Items of other comprehensive income recognised directly in Other equity	-	-	(0.38)	(0.23)
Closing balance	16,375	16,375	10.24	10.62

(c) Foreign Currency Translation Reserve

Particulars	As at	As at	As at	As at
	March 31, 2018 (In USD)	March 31, 2017 (In USD)	March 31, 2018 (Rs. in Lacs)	March 31, 2017 (Rs. in Lacs)
Opening Balance	-	-	7.76	26.96
Add: exchange differences arising during the year	-	-	(0.55)	(19.20)
Closing balance	-	-	7.21	7.76

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Notes to financial statements for the year ended March 31, 2018

Note 6: Financial liabilities

(i) Trade payables

Particulars	As at March 31, 2018 (In USD)	As at March 31, 2017 (In USD)	As at March 31, 2018 (Rs. in Lacs)	As at March 31, 2017 (Rs. in Lacs)
Current				
Trade payables	7,359	33,107	4.80	21.47
Total trade payables	7,359	33,107	4.80	21.47

(ii) Other financial liabilities

Particulars	As at March 31, 2018 (In USD)	As at March 31, 2017 (In USD)	As at March 31, 2018 (Rs. in Lacs)	As at March 31, 2017 (Rs. in Lacs)
Current				
Dividend payable to Holding Company	-	1,00,000	-	64.87
Total other current financial liabilities	-	1,00,000	-	64.87

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INDIA STEAMSHIP INTERNATIONAL FZE

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Notes to financial statements for the year ended March 31, 2018**Note 7: Revenue from Operations**

The Company derives the following types of revenue:

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Sale of services				
-Freight	-	82,64,858	-	5,544.86
-Demurrage	-	2,60,343	-	174.66
Total revenue from continuing operations	-	85,25,201	-	5,719.52

Note 8: Other Income

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Excess provisions written back	2,561	-	1.65	-
Total other income	2,561	-	1.65	-

Note 9: Employee Benefits Expense

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Salaries, wages and bonus	3,053	2,992	1.97	2.01
Total employee benefits expense	3,053	2,992	1.97	2.01

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Notes to financial statements for the year ended March 31, 2018

Note 10: Other Expenses

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Rent	7,569	7,277	4.88	4.88
Payment to auditors (refer note 10(i) below)	2,872	5,450	1.85	3.66
Legal and professional fees	5,743	954	3.70	0.64
Net foreign exchange losses	554	90	0.36	0.06
Bank charges	500	3,558	0.32	2.39
Advances written off	1,841	-	1.19	-
Miscellaneous expenses	9,179	9,808	5.91	6.57
Total other expenses	28,258	27,137	18.21	18.20

Note 10(i): Details of payments to auditors

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Payment to auditors				
As auditor:				
Audit fee	2,872	5,450	1.85	3.66
Total payments to auditors	2,872	5,450	1.85	3.66

Note 11: Finance Costs

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Interest and finance charges on financial liabilities not at fair value through profit or loss	-	81,625	-	54.76
Finance costs expensed in profit or loss	-	81,625	-	54.76

Note 12: Earnings per share

(i) Basic and diluted earnings per share

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Basic and diluted earnings per share				
From continuing operations attributable to the equity holders of the company	(1,150)	(76,135)	(74,120)	(51,07,840)

(ii) Reconciliations of earnings used in calculating earnings per share

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Basic and diluted earnings				
Profit attributable to the equity holders of the company used in calculating basic earnings per share:				
From continuing operations	(28,750)	(19,03,373)	(18.53)	(1,276.96)
	(28,750)	(19,03,373)	(18.53)	(1,276.96)

(iii) Weighted average number of shares used as the denominator

Particulars	Year ended March 31, 2018 Number of shares	Year ended March 31, 2017 Number of shares	Year ended March 31, 2018 Number of shares	Year ended March 31, 2017 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	25	25	25	25
Adjustments for calculation of diluted earnings per share:				
Options	-	-	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	25	25	25	25

INDIA STEAMSHIP INTERNATIONAL FZE
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Notes to financial statements for the year ended March 31, 2018

Note 13: Contingent liabilities (not provided for) in respect of :

Particulars	As at March 31, 2018 (In USD)	As at March 31, 2017 (In USD)	As at March 31, 2018 (Rs. in Lacs)	As at March 31, 2017 (Rs. in Lacs)
Claims against the Company not acknowledged as debts	-	-	-	-
	-	-	-	-

Note 14: Segment information

Operating Segment

The Company has one identified operating segment i.e Shipping Segment (transportation of crude oil and liquid products through vessels hired by the Company) hence no separate disclosure for the same is necessary .

Information about geographical areas

The following table provides an analysis of the Company sales by geography in which the customer is located, irrespective of the origin of the goods. The following is the distribution of the Company revenue from operation (net) by geographical markets, regardless of where the goods were produced :

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Revenue				
-Domestic market				
-Overseas market	-	85,25,201	-	5,719.52
	-	85,25,201	-	5,719.52

Note 15: Related Party Disclosures

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

(i) Related party name and relationship

(a) Parent company Chambal Fertilisers and Chemicals Ltd.

(b) Fellow subsidiary company India Steamship Pte Ltd.

(ii) Transaction with the related parties-

Particulars	Year ended March 31, 2018 (In USD)	Year ended March 31, 2017 (In USD)	Year ended March 31, 2018 (Rs. in Lacs)	Year ended March 31, 2017 (Rs. in Lacs)
Dividend paid				
Parent company				
Chambal Fertilisers and Chemicals Ltd.	2,50,000	15,00,000	161.13	972.83
Freight /demurrage income				
Parent company				
Chambal Fertilisers and Chemicals Ltd.	-	48,51,505	-	3,254.86
Interest paid				
Parent company				
Chambal Fertilisers and Chemicals Ltd.	-	81,625	-	54.76
Loan repaid				
Parent company				
Chambal Fertilisers and Chemicals Ltd.	-	30,00,000	-	1,987.80

(iii) Balances with the related parties-

Particulars	As at March 31, 2018 (In USD)	As at March 31, 2017 (In USD)	As at March 31, 2018 (Rs. in Lacs)	As at March 31, 2017 (Rs. in Lacs)
Dividend payable				
Parent company				
Chambal Fertilisers and Chemicals Ltd.	-	1,00,000	-	64.87

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Notes to financial statements for the year ended March 31, 2018

Note 16: Fair value measurements

Financial instruments by category	At Amortisation Cost			
	March 31, 2018 (In USD)	March 31, 2017 (In USD)	March 31, 2018 (Rs. in lakhs)	March 31, 2017 (Rs. in lakhs)
Financial assets				
(i) Trade receivables	-	2,57,123	-	166.76
(ii) Cash and cash equivalents	17,726	1,43,070	11.55	92.79
Total financial assets	17,726	4,00,193	11.55	259.55
Financial liabilities				
(i) Trade payables	7,359	33,107	4.80	21.47
(ii) Other financial liabilities	-	1,00,000	-	64.87
Total financial liabilities	7,359	1,33,107	4.80	86.34

The carrying amounts of trade receivables, cash and cash equivalents, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature. Hence, other disclosure applicable as per Ind AS 113 are not applicable to the Company.

Note 17: Financial risk management objectives and policies

The main risk arising from the Company's financial instruments are market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Board of Director reviews and agrees policies and procedures for the management of each of these risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include cash and cash equivalents, trade receivables, trade payables and other financial liabilities. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity analysis have been prepared on the basis that proportion of financial instruments in foreign currencies are all constant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with USD, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

Particulars	Change in USD rate	Effect on profit before tax			
		March 31, 2018 (In USD)	March 31, 2017 (In USD)	March 31, 2018 (Rs. in Lacs)	March 31, 2017 (Rs. in Lacs)
AED	+5%	(308)	505	(0.20)	0.33
	-5%	308	(505)	0.20	(0.33)

b) Credit risk

i) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are primarily from oil industries which is well capitalized world wide.

ii) Financial instruments and cash deposits

The company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

c) Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturing groups based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due with in 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	Period	(In USD)		
		Less than 1 year	More than 1 year	Total
Trade payable	Mar 31, 2018	7,359	-	7,359
	Mar 31, 2017	33,107	-	33,107
Other financial liabilities	Mar 31, 2018	-	-	-
	Mar 31, 2017	1,00,000	-	1,00,000
Total liabilities	Mar 31, 2018	7,359	-	7,359
	Mar 31, 2017	1,33,107	-	1,33,107

INDIA STEAMSHIP INTERNATIONAL FZE
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Notes to financial statements for the year ended March 31, 2018

(Rs. in Lakhs)

Particulars	Period	Less than 1 year	More than 1 year	Total
Trade payable	Mar 31, 2018	4.80	-	4.80
	Mar 31, 2017	21.47	-	21.47
Other financial liabilities	Mar 31, 2018	-	-	-
	Mar 31, 2017	64.87	-	64.87
Total liabilities	Mar 31, 2018	4.80	-	4.80
	Mar 31, 2017	86.34	-	86.34

Note 18: Capital management

The Company does not have formal policies and procedures for capital risk management. The capital of the Company as defined by the management as March 31, 2018 and March 31, 2017 consists of only equity share capital as reflected in the note 5(i) to the financial statements.

Note 19: Previous year

- (a) Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.
(b) Figures for the previous year have been audited by firm of chartered accountants other than KM and CO.

For KM & CO

Chartered Accountants
Firm's Registration No.: 024883N

**For and on behalf of the Board of Directors of
India Steamship International FZE**

per Kapil Mittal
Partner
Membership No. 502221

K. Satishchandra
Director

Lee Kuan Jen Sebastian
Director

Place: New Delhi
Date: May 3, 2018