

CFCL OVERSEAS LIMITED

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the Directors' Report together with the audited accounts of the Company for the financial year ended March 31, 2014.

1. Financial Results

The performance of the Company for the financial year ended March 31, 2014 is summarized below:

Particulars	(Amount in USD)	
	2013-14	2012-13
Income	105,063	247,381
Expenditure	12,468	16,320
Profit for the year	92,595	231,061

2. Business Operations

The Company is engaged in the business of investment holding. There were no other business activities during the year. The Company has earned a profit of USD 92,595/- during the year under review.

3. Directors

The Board has two directors. During the period under review Ms. Suzanne Michelle Callister-Holmboe resigned from the Board of CFCL Overseas Limited w.e.f. July 26, 2013. The Board expresses its sincere gratitude and appreciation of the contribution made by Ms. Holmboe during her tenure as Director.

4. Dividend

The Company is not proposing to declare any dividend this year.

5. Share Capital

During the year under review, your Company allotted 3,510,000 Non Cumulative Preference Shares of USD 1 each to its holding company -- M/s. Chambal Fertilisers and Chemicals Limited, India.

6. Subsidiary Company

CFCL Technologies Limited, Cayman Islands is the subsidiary of the Company. During the year, 4,38,566 Series G Preference Shares and 759,059 Series H Preference Shares of par value of USD 0.0001 each were issued to the Company @ USD 7.5467 and @ USD 4.62009 per share respectively by CFCL Technologies Limited.

7. Auditors' Report

The Notes on Accounts read with the Auditors' Report issued by M/s. V. Sankar Aiyar & Co., Chartered Accountants are self-explanatory and therefore, do not call for any further comments or explanations.

8. Acknowledgements

The Directors would like to take this opportunity to thank its holding Company and subsidiaries for their support during the year.

for and on behalf of the Board of Directors



M.S. Rathore
Director



Lee Kuan Jen Sebastian
Director

Date: May 8, 2014



V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of CFCL OVERSEAS LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of CFCL Overseas Limited, which comprise the Balance Sheet as at 31st March 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report in the nature of affirmative statement

We report that:

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No. 90104

Place : New Delhi
Dated: 8th May, 2014



CFCL OVERSEAS LIMITED
Balance Sheet as at March 31, 2014

		(Amount in USD)	(Convenience translation into INR)	(Amount in USD)
		As at	As at	As at
		March 31, 2014	March 31, 2014	March 31, 2013
		Audited	Unaudited	Audited
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
Share capital	1	102,249,447	6,126,786,864	98,739,447
Reserve & surplus	2	367,370	22,012,810	274,775
		<u>102,616,817</u>	<u>6,148,799,674</u>	<u>99,014,222</u>
(2) Current Liabilities				
Other current liabilities	3	750	44,940	828
		<u>750</u>	<u>44,940</u>	<u>828</u>
Total		<u><u>102,617,567</u></u>	<u><u>6,148,844,614</u></u>	<u><u>99,015,050</u></u>
II. ASSETS				
(1) Non-current assets				
Non-current investments	4	102,571,036	6,146,056,476	95,754,377
		<u>102,571,036</u>	<u>6,146,056,476</u>	<u>95,754,377</u>
(2) Current assets				
Cash and cash equivalents	5	13,730	822,702	23,197
Short-term loans and advances	6	32,801	1,905,436	3,189,031
Other current assets	7	-	-	48,445
		<u>46,531</u>	<u>2,788,138</u>	<u>3,260,673</u>
Total		<u><u>102,617,567</u></u>	<u><u>6,148,844,614</u></u>	<u><u>99,015,050</u></u>

Significant Accounting policies & Notes to Accounts form an Integral part of the financial statements.

As per our report of even date

For V. SANKAR AIYAR & CO.
Chartered Accountants
Firm Registration No. 109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No - 90104

For and on behalf of the Board of Directors of
CFCL Overseas Limited

M.S. Rathore *Loo Kuan Jon Sebastien*

M.S. Rathore Loo Kuan Jon Sebastien
Director Director

Place : New Delhi
Date : May 08, 2014

Place :
Date : May 08, 2014



CFCL OVERSEAS LIMITED
Statement of Profit and Loss for the year ended March 31, 2014

		(Amount in USD)	(Convenience translation into INR)	(Amount in USD)
	Note No.	Year Ended March 31, 2014 Audited	As at March 31, 2014 Unaudited	Year Ended March 31, 2013 Audited
INCOME:				
Other Income	8	105,063	6,295,375	247,381
Total Revenue (I)		105,063	6,295,375	247,381
Expenses:				
Finance costs	9	150	8,988	125
Other expenses	10	12,318	738,095	16,195
Total Expenses (II)		12,468	747,083	16,320
Profit before tax (I-II)		92,595	5,548,292	231,061
Tax expenses		-	-	-
Profit/(Loss) for the period		92,595	5,548,292	231,061
Earnings per equity share:				
Basic Earnings per share (of face value of USD 0.001)	11	0.00185		0.00462
No. of shares		50,000,000		50,000,000

Significant Accounting policies & Notes to Accounts form an integral part of the financial statements.

As per our report of even date

For V. SANKAR AIYAR & CO.
Chartered Accountants
Firm Registration No. 109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No - 90104

Place : New Delhi
Date : May 08, 2014

For and on behalf of the Board of Directors of
CFCL Overseas Limited

M.S. Rathore

M.S. Rathore
Director

Leo Kuan Jen Sebastian

Leo Kuan Jen Sebastian
Director

Place :
Date : May 08, 2014



CFCL OVERSEAS LIMITED

Cash Flow Statement for the year ended March 31, 2014

Particulars	(Amount in USD)	(Convenience translation into INR)	(Amount in USD)
	Year ended March 31, 2014 Audited	Year ended March 31, 2014 Unaudited	Year ended March 31, 2013 Audited
A. Cash flow from operating activities :			
Profit after exceptional items and before tax	92,595	5,548,292	231,061
Adjustments for :			
Interest Income	(105,063)	(6,295,375)	(247,381)
Operating profit before working capital changes	(12,468)	(747,083)	(16,320)
Movement in working capital :			
Decrease / (Increase) in other receivables/ current assets	-	-	(3,153,840)
(Decrease) / Increase in other payables	(78)	(4,673)	(1,045)
Cash generated from operations	(12,546)	(751,756)	(3,171,205)
Direct taxes paid (net of refunds)	-	-	-
Net cash flow from operating activities	(12,546)	(751,756)	(3,171,205)
B. Cash flow from investing activities			
Purchase of Investments	(3,506,921)	(210,134,700)	(7,166,544)
Interest Received on ICD	-	-	198,936
Net cash flow from / (used) in investing activities	(3,506,921)	(210,134,700)	(6,967,608)
C. Cash flow from financing activities			
Issue of Preference Shares	3,510,000	210,319,200	9,559,937
Net cash used in financing activities	3,510,000	210,319,200	9,559,937
Net increase/(decrease) in cash and cash equivalents	(9,467)	(567,262)	(578,876)
Cash and cash equivalents at the beginning of the year	23,197	1,389,864	802,073
Cash and cash equivalents at the end of the year	13,730	822,702	23,197
Components of cash and cash equivalents as at the year end			
Balances with banks :			
- on Current Account	13,730	822,702	23,197
Net cash and cash equivalents	13,730	822,702	23,197

As per our report of even date

For V.SANKAR AIYAR & CO.
Chartered Accountants
Firm Registration no - 109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No - 90104

Place : New Delhi
Date : May 08, 2014

For and on behalf of Board of Directors of
CFCL Overseas Limited

M.S. Rathore

M.S. Rathore
Director

Loo Kuan Jen

Loo Kuan Jen Sobashan
Director

Place :
Date : May 08, 2014



CFCL Overseas Limited

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

A. Corporate Information

The Company is incorporated and domiciled in Cayman Islands. The registered office of the Company is located in Cayman Islands. The principal activities of the Company are to carry on the business of investment holding and to undertake and to transact all kinds of investment business. There have been no significant changes in the nature of these activities during the financial year.

Holding Company

The company is a subsidiary of "Chambal Fertilisers and Chemicals Limited" a company incorporated in India, which is also the ultimate holding company.

B. Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in accordance with Accounting Standards applicable in India.

(b) Basis of Preparation

The financial statements of the Company, which are expressed in US dollar (US\$) are prepared on the historical cost convention and on a going concern basis.

(c) Measurement and Reporting Currency

The measurement currency of the Company is US dollar (US\$).

(d) Investment in Subsidiary

A subsidiary is a company in which the Company holds more than 50% of the issued share capital or controls more than half of the voting power, or controls the composition of the board of directors.

Investment in subsidiary is accounted for at cost less any provision for impairment, other than temporary, in value.

(e) Receivables

Receivables are stated at cost less any allowance for doubtful debts.

(f) Cash at Bank

For the purpose of cash flow statement, cash and cash equivalents consist of cash at Bank.

(g) Other Payables

Other payables are stated at cost.

(h) Revenue Recognition

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

(i) Convenience Translation

The books of accounts of the Company are maintained in US dollars, being the currency of the primary economic environment in which it is operated. For the purpose of reporting in Indian GAAP, the balance sheet as of March 31, 2014 and the Statement of profit and loss for the year then ended have been translated into INR, using the closing exchange rate as on March 31, 2014 which was 1USD = Rs 59.92. The convenience translation should not be construed as a representation that USD amounts or INR amounts referred to in these financial statements have been, could have been, or could in future be, converted into INR or USD, as the case may be, at this or at any other rate of exchange, or at all.



CFCL OVERSEAS LIMITED

Notes annexed to and forming part of financial statements as at March 31, 2014

Particulars	(Amount in USD)	(Convenience translation into INR)	(Amount in USD)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013

C. Notes to Accounts

1. Share Capital

The Company has authorised share capital comprising of 50,000,000 Ordinary shares of USD 0.001 each at par and 124,950,000 Non Cumulative Preference Shares of US\$ 1.00 each at par. During the year, the Company has issued 3,510,000 (Previous Year 9,559,937) Non Cumulative Preference Share Capital of 1.00 USD to its parent company, Chambal Fertilisers and Chemicals Limited. The parent company, Chambal Fertilisers and Chemicals Limited holds 50,000,000 Ordinary shares of USD 0.001 each at par and 102,199,447 Non Cumulative Preference Shares of USD 1.00 each at par.

Every holder of ordinary shares shall be entitled to one vote per share held by him and not entitled to dividend.

(a) Authorised

50,000,000 (Previous Year 50,000,000) Ordinary Shares of 0.001 USD	50,000	2,996,000	50,000
124,950,000 (Previous Year 124,950,000) 8% Non Cumulative Preference Share Capital of USD 1.00	124,950,000	7,487,004,000	124,950,000
Total	125,000,000	7,490,000,000	125,000,000

(b) Issued, Subscribed and fully paid up

50,000,000 (Previous Year 50,000,000) Ordinary Shares of 0.001 USD	50,000	2,996,000	50,000
102,199,447 (Previous year 98,689,447) 8% Non Cumulative Preference Share Capital of USD 1.00	102,199,447	6,123,790,864	98,689,447
Total	102,249,447	6,126,786,864	98,739,447

(c) Par value per share

Ordinary Shares : 0.001 USD each
Preference Shares : 1.00 USD each

(d) Reconciliation of number of shares outstanding at beginning and at the end of the reporting period

Particulars	2013-14		2012-13	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year				
Ordinary Shares	50,000,000	50,000	50,000,000	50,000
Preference Shares	98,689,447	98,689,447	89,129,510	89,129,510
Shares issued during the year				
Ordinary Shares	-	-	-	-
Preference Shares	3,510,000	3,510,000	9,559,937	9,559,937
Shares outstanding at the end of the year				
Ordinary Shares	50,000,000	50,000	50,000,000	50,000
Preference Shares	102,199,447	102,199,447	98,689,447	98,689,447

(e) Shares in the company held by each shareholder holding more than 5% shares

Particulars	2013-14		2012-13	
	% Holding	No. of shares	% Holding	No. of shares
Chambal Fertilisers and Chemicals Limited				
Equity Shares	100%	50,000,000	100%	50,000,000
Preference Shares	100%	102,199,447	100%	98,689,447



CFCL OVERSEAS LIMITED

Notes annexed to and forming part of financial statements for the year ended March 31, 2014

Particulars	(Amount in USD)	(Convenience translation into INR)	(Amount in USD)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
2. Reserve and Surplus			
Opening Profit and Loss Balance	274,775	16,464,518	43,714
Surplus as per the Statement of Profit & Loss for the period	92,595	5,548,292	231,061
Total	367,370	22,012,810	274,775
3. Other Current Liabilities			
Payable to related parties	-	-	828
Other payables	750	44,940	-
Total	750	44,940	828

4. Non-Current Investments

During the year 2013-14, the company has made further investment of US\$ 6,816,659 (including accrued interest of USD 153,508 on loan) in the subsidiary company "CFCL Technologies Limited" and received 438,566 Series G and 759,059 series H Preference shares of face value US\$ 0.0001 each at the rate of US\$ 7.5467 and US\$ 4.6201 per share respectively.

Long Term Investments (At Cost)

Trade (Unquoted)

Investment in CFCL Technologies Limited, Cayman Island (subsidiary)

2,932,947 (Previous Year 2,932,947) Ordinary shares of par value of US\$ 0.0001 each

Securities Premium on Ordinary Shares

(I)

293	17,557	293
22,444,707	1,344,886,843	22,444,707
22,445,000	1,344,904,400	22,445,000

2,176,468 (Previous Year 2,176,468) Series A-1 Preference Shares of US\$ 0.0001 each

Securities Premium on Series A-1 Preference Shares

(II)

218	13,063	218
19,999,782	1,198,386,937	19,999,782
20,000,000	1,198,400,000	20,000,000

568,096 (Previous Year 568,096) Series B-1 Preference Shares of US\$ 0.0001 each

Securities Premium on Series B-1 Preference Shares

(III)

57	3,415	57
5,220,291	312,799,837	5,220,291
5,220,348	312,803,252	5,220,348

1,029,521 (Previous Year 1,029,521) Series C-1 Preference Shares of US\$ 0.0001 each

Securities Premium on Series C-1 Preference Shares

(IV)

103	6,172	103
13,083,359	783,954,871	13,083,359
13,083,462	783,961,043	13,083,462

513,478 (Previous Year 513,478) Series D-1 Preference Shares of US\$ 0.0001 each

Securities Premium on Series D-1 Preference Shares

(V)

51	3,055	51
6,525,381	391,000,830	6,525,381
6,525,432	391,003,885	6,525,432

770,217 (Previous Year 770,217) Series E-1 Preference Shares of US\$ 0.0001 each

Securities Premium on Series E-1 Preference Shares

(VI)

77	4,614	77
9,788,084	586,501,993	9,788,084
9,788,161	586,506,607	9,788,161

11,52,543 (Previous Year 11,52,543) Series F-1 Preference Shares of US\$ 0.0001 each

Securities Premium on Series F-1 Preference Shares

(VII)

115	6,891	115
11,525,315	690,596,875	11,525,315
11,525,430	690,603,766	11,525,430

1,388,192 (Previous Year 9,49,626) Series G Preference Shares of US\$ 0.0001 each

Securities Premium on Series G Preference Shares

(VIII)

139	8,318	95
10,476,143	627,730,499	7,166,449
10,476,282	627,738,817	7,166,544

759,059 (Previous Year Nil) Series H Preference Shares of US\$ 0.0001 each

Securities Premium on Series H Preference Shares

(IX)

76	4,548	-
3,506,845	210,130,158	-
3,506,921	210,134,706	-

(I+II+III+IV+V+VI+VII+VIII+IX)

102,571,036	6,146,056,476	95,754,377
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CFCL Technologies Limited, a subsidiary of the Company, has issued warrant coverage with conversion option into 93,450 ordinary shares, 35,210 Series G preference shares and 1,562,571 Series H preference shares (including 1,50,000 warrants to be issued w.e.f 02.01.2014) to CFCL Overseas Limited.



CFCL OVERSEAS LIMITED

Notes annexed to and forming part of financial statements for the year ended March 31, 2014

Particulars	(Amount in USD)	(Convenience translation into INR)	(Amount in USD)
	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
5. Cash and cash equivalents			
Balance with banks			
On current accounts	13,730	822,702	23,197
Total	13,730	822,702	23,197
6. Short term loans and advances			
Receivable from subsidiaries	32,801	1,965,436	32,801
Loan to subsidiaries	-	-	3,156,230
Total	32,801	1,965,436	3,189,031
7. Other Current Assets (unsecured considered good to the extent stated)			
Interest receivable on loans, deposits and others	-	-	48,445
Total	-	-	48,445
Particulars	(Amount in USD)	(Convenience translation into INR)	(Amount in USD)
	Year Ended March 31, 2014	Year Ended March 31, 2014	Year Ended March 31, 2013
8. Other Income			
Interest On			
- Deposits (Gross)	-	-	2,734
- Inter-corporate deposits	105,063	6,295,375	244,647
Total	105,063	6,295,375	247,381
9. Finance costs			
Bank charges	150	8,988	125
Total	150	8,988	125
10. Other expenses			
Office Expenses	-	-	765
Legal and professional fee	11,568	693,155	14,602
Audit Fee	750	44,940	828
Total	12,318	738,095	16,195
11. Earnings Per Share (EPS)			
Net Profit as per Statement of profit and loss	92,595		231,061
Calculation of weighted average number of equity shares			
- Number of shares at the beginning of the year	50,000,000		50,000,000
- Total equity shares outstanding at the end of the year	50,000,000		50,000,000
- Weighted average number of equity shares outstanding during the year	50,000,000		50,000,000
Basic and diluted earnings per share (in USD)	0.00185		0.00462
Nominal value of equity shares (in USD)	0.0010		0.0010



12. Related Party Disclosures

During the year, the Company entered into transactions with the related parties. Those transactions along with related balances as at 31st March 2014 and for the year then ended are presented in the following table :

(a) Parent Company : Chambal Fertilisers and Chemicals Limited

Particulars	(Amt In USD)	
	2013-14	2012-13
Issue of 3,510,000 (Previous year 9,559,937) Non Cumulative Preference Shares @ USD 1	3,510,000	9,559,937
Payables at the end of the year	-	828

(b) Subsidiaries - CFCL Technologies Limited, Cayman Islands

Particulars	(Amt In USD)	
	2013-14	2012-13
Interest Income	105,083	244,647
Investments made	6,816,659	7,166,544
Outstanding balances as at the year end		
Receivables	32,801	32,801
Loan given	-	3,156,230

13. The Company has investment of USD 102,571,036 in its subsidiary CFCL Technologies Limited, Cayman Island as on 31.03.2014. As per latest financial statements, the accumulated losses of CFCL Technologies Limited, Cayman Island has resulted in erosion of significant portion of the net worth of the company. These being long term strategic investments and also in view of projected profitable operations of the company, in the opinion of the management, no provision for diminution in the value of investment is required to be made as per Accounting Standard 13 "Accounting for Investment".

As per our report of even date

For V.SANKAR AIYAR & CO.
Chartered Accountants
Firm's Registration No. 109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No - 90104

Place : New Delhi
Date : May 08, 2014

For and on behalf of the Board of Directors of
CFCL Overseas Limited

M.S. Rathore

M.S. Rathore
Director

Leo Kuan Jon Sebastian

Leo Kuan Jon Sebastian
Director

Place :
Date : May 08, 2014

