

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INDIA STEAMSHIP LIMITED

We have audited the accompanying financial statements of **INDIA STEAMSHIP LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### 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 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, 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 these 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 in accordance with the Standards on Auditing 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 the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

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

1. As required by the Companies' (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statements on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.  
(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.  
(e) On the basis of written representations received from the directors as on 31st March'2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.  
(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. No amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For Singhi & Co.**  
Chartered Accountants  
Firm Reg. No. 302049E

S. N. Sharma  
Partner  
Membership No. 014781

Place: New Delhi  
Date: 23 APR 2015



**Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: INDIA STEAMSHIP LIMITED)**

- (i) The Company has no fixed assets; hence clause 3 (i) (a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (ii) The Company has no inventory; hence clause 3 (ii) (a) (b) and (c) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted loan to companies, firms or other parties covered in the register maintained under section 189 of the Companies' Act, 2013. Therefore, provision of clause 3(iii) (a) and 3(iii) (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets. The activities of the company do not involve sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposit from public, hence clause 3(v) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- (vi) Rules made by Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- (vii)a. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, value added tax, service tax, wealth tax, duty of customs, duty of excise, cess and other material statutory dues, if applicable, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.
- b. According to the records of the Company there are no dues outstanding on account of income-tax, sales-tax, value added tax, wealth tax, service tax, duty of customs, duty of excise and cess on account of any dispute.
- c. According to the information and explanations given to us, the Company is not required to transfer any amount to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year, hence clause 3 (ix) of the Companies (Auditor's Report) Order, 2015 is not applicable.



# Singhi & Co.

Chartered Accountants

- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, hence clause 3(x) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- (xi) The Company has not obtained any term loans during the year, hence clause 3(xi) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- (xii) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, have been noticed or reported during the year.

**For Singhi & Co.**  
Chartered Accountants  
Firm Reg. No. 302049E

Place: New Delhi  
Date: 23 APR 2015



S. N. Sharma

S. N. Sharma  
Partner

Membership No. 014781

India Steamship Limited  
Balance Sheet as at March 31, 2015

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	Note No.	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
Share Capital	3	25,00,000	25,00,000
Reserve & Surplus	4	3,58,892	3,18,982
		<u>28,58,892</u>	<u>28,18,982</u>
<b>(2) Current Liabilities</b>			
Trade payables	5	13,483	13,483
Other current liabilities	6	-	1,236
		<u>13,483</u>	<u>14,719</u>
<b>Total</b>		<u><u>28,72,375</u></u>	<u><u>28,33,701</u></u>
<b>II. ASSETS</b>			
<b>(1) Current Assets</b>			
Cash and cash equivalents	7	28,00,186	25,10,437
Short Term Loans and Advances	8	378	3,23,264
Other current assets	9	71,811	-
		<u>28,72,375</u>	<u>28,33,701</u>
<b>Total</b>		<u><u>28,72,375</u></u>	<u><u>28,33,701</u></u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No.: 302049E

*S.N.S.*  
S.N.Sharma  
Partner  
Membership No.: 014781

For and on behalf of the Board of Directors of  
India Steamship Limited

*Anil Kapoor*  
Anil Kapoor  
Director

*Abhay Bajjal*  
Abhay Bajjal  
Director

Place : New Delhi  
Date: 23 APR 2015



Place : New Delhi  
Date: 23-04-2015

India Steamship Limited  
Statement of Profit and Loss for the year ended March 31, 2015

	Note No.	Year Ended March 31, 2015	(Amt. in Rs.) Year Ended March 31, 2014
I Other income	10	88,725	31,51,710
II Total Revenue		<u>88,725</u>	<u>31,51,710</u>
III Expenses:			
Other expenses	11	41,344	9,08,529
Total Expenses		<u>41,344</u>	<u>9,08,529</u>
IV Profit before exceptional items and tax (II-III)		<u>47,381</u>	<u>22,43,181</u>
V Exceptional items		-	-
VI Profit before tax (IV-V)		<u>47,381</u>	<u>22,43,181</u>
VII Tax expenses:			
Current tax		7,471	6,88,622
VIII Profit/(Loss) for the period (VI-VII)		<u>39,910</u>	<u>15,54,559</u>
IX Earning per equity share:			
Basic and Diluted (in Rs.)	12	0.16	0.96
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No.: 302049E

S.N.S  
S.N.Sharma  
Partner  
Membership No.: 014781



Place : New Delhi  
Date: 23 APR 2015



For and on behalf of the Board of Directors of  
India Steamship Limited

Anil Kapoor  
Director

Abhay Bajaj  
Director

Place : New Delhi  
Date: 23.04.2015

# India Steamship Limited

Cash Flow Statement for the year ended March 31, 2015

Particulars	Year ended March 31, 2015 (Amount in Rs.)	Year ended March 31, 2014 (Amount in Rs.)
<b>A. Cash flow from operating activities :</b>		
Profit/(Loss) before tax.	47,381	22,43,181
Less : Interest on fixed deposit	(88,725)	(31,47,020)
Less : Expenses related to Capital Reduction		53,461
<b>Operating profit/ (loss) before working capital changes</b>	<b>(41,344)</b>	<b>(8,50,378)</b>
<b>Movement in working capital : Paid</b>		
Decrease /(Increase) in current assets	-	-
(Decrease) /Increase in current liabilities	(1,236.00)	-
<b>Cash generated from operations</b>	<b>(42,580)</b>	<b>(8,50,378)</b>
Direct taxes paid (net of refunds)	(3,15,415)	(10,12,716)
<b>Net cash flow from operating activities</b>	<b>2,72,835</b>	<b>(18,63,094)</b>
<b>B. Cash flow from investing activities</b>		
Interest income on fixed deposit	16,914	31,81,541
Investment in Fixed Deposit with maturity more than 3 months	(27,00,000)	-
Proceeds from deposits matured (with maturity more than 3 months)	-	-
<b>Net cash flow from / (used) in investing activities</b>	<b>(26,83,086)</b>	<b>31,81,541</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	(3,90,00,000)
Proceeds from issue of preference shares	-	(1,00,00,000)
Expenses related to Capital Reduction	-	(53,461)
<b>Net cash used from financing activities</b>	<b>-</b>	<b>(4,90,53,461)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(24,10,251)</b>	<b>(4,77,35,014)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>25,10,437</b>	<b>5,02,45,451</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,00,186</b>	<b>25,10,437</b>
<b>Components of cash and cash equivalents as on 31.03.2015</b>		
Balances with banks :		
- on current account	1,00,186	25,10,437
- on fixed deposit accounts	27,00,000	-
<b>Net cash and cash equivalents</b>	<b>28,00,186</b>	<b>25,10,437</b>
Less: Fixed deposit having original maturity more than 3 months but Up to 12 month	27,00,000	-
<b>Net cash and cash equivalents</b>	<b>1,00,186</b>	<b>25,10,437</b>

As per our report of even date

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No.: 302049E

S. N. S.  
S.N.Sharma  
Partner  
Membership No.: 014781

For and on behalf of the Board of Directors of  
India Steamship Limited

Anil Kapoor  
Director

Abhay Baija  
Director

Place : New Delhi  
Date: 23 APR 2015



Place : New Delhi  
Date: 23.04.2015



## India Steamship Limited

### Notes annexed to and forming part of the Financial Statements as at March 31, 2015

#### 1. Nature of Operations

India Steamship Limited (the Company) was incorporated on April 01, 2011 as a public limited company. The Company is a wholly owned subsidiary of Chambal Fertilisers and Chemicals Limited.

#### 2. Statement of Significant Accounting Policies

##### a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

##### b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### c) Classification of Assets and Liabilities as Current and Non Current

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, twelve months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

##### d) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments.

##### e) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

##### f) Provisions

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the





balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

**g) Cash and Cash equivalents**

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

**h) Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**3) Share Capital**

**Authorized:**

	(Amount in Rs.)	
	As at March 31,2015	As at March 31,2014
45,000,000 equity shares of Rs.10 each	450,000,000	450,000,000
10,000,000 Redeemable Preference shares of Rs.10 each	100,000,000	100,000,000
<b>Total</b>	<b>550,000,000</b>	<b>550,000,000</b>

**Issued, Subscribed and Paid up:**

	(Amount in Rs.)	
	As at March 31,2015	As at March 31,2014
250,000 equity shares of Rs.10 each (previous year)	2,500,000	2,500,000
250,000 equity shares of Rs.10 each)		
<b>Total</b>	<b>2,500,000</b>	<b>2,500,000</b>

**a) Terms and Rights of Shares-**

- **Equity Shares:** The equity shares shall rank pari passu inter se in all respects. No member shall be entitled to vote in respect of any shares on which calls or other sums which are payable have not been paid. On a show of hands, every member shall have one vote and upon a poll, voting right of every member shall be in proportion to his/her share of paid-up equity share capital of the Company. All dividends shall be apportioned and paid proportionately to the amount paid on the shares.

**b) Reconciliation of Equity Share Capital**

Particulars	31st March, 2015			31st March, 2014		
	Equity	Preference	Amount in Rs	Equity	Preference	Amount in Rs.
Shares at the beginning of the year	250,000	-	2,500,000	41,050,000	10,000,000	31,000,000
Shares Issued during the year	-	-	-	-	-	-
Reduction of share capital	-	-	-	40,800,000	10,000,000	28,500,000
Shares outstanding at the end of the year	250,000	-	2,500,000	250,000	-	2,500,000



d) Detail of shareholders holding more than 5% shares in the Company:

- 249,400 (Previous year 249,400) 99.76% (Previous year 99.76%) equity shares held by Chambal Fertilisers and Chemicals Limited, the Holding Company
- Further, 600 (Previous year 600) 0.24% (Previous year 0.24%) equity shares held by nominees of the holding Company.

4) Reserve and Surplus

(Amount in Rs.)

Particulars	As at March 31,2015	As at March 31,2014
<b>Security Premium</b>		
Balance as per last financial statements	-	20,500,000
Less : Utilized during the year	-	20,500,000
(A)	-	-
<b>Surplus / (Deficit) in Statement of Profit &amp; Loss</b>		
Opening Profit & Loss Balance	318,982	(1,235,577)
Add Profit & Loss for the year	39,910	1,554,559
(B)	358,892	318,982
<b>Total (A+B)</b>	<b>358,892</b>	<b>318,982</b>

5) Trade Payable

(Amount in Rs.)

Particulars	As at March 31,2015	As at March 31,2014
Outstanding dues to creditors other than Micro and Small Enterprises	13,483	13,483
<b>Total</b>	<b>13,483</b>	<b>13,483</b>

6) Other Current Liabilities

(Amount in Rs.)

Particulars	As at March 31,2015	As at March 31,2014
Payables to Holding Company	-	-
Accrued Expenses	-	1236
<b>Total</b>	<b>-</b>	<b>1236</b>

7) Cash and Bank Balances

(Amount in Rs.)

Particulars	As at March 31,2015	As at March 31,2014
Balances with Bank on current account	100,186	2,510,437
Deposit with Bank (Original maturity more than Three months but up to 12 Month)	2,700,000	-
<b>Total</b>	<b>2,800,186</b>	<b>2,510,437</b>



8) Short Term Loans and Advances

(Amount in Rs.)

Particulars	As at March 31,2015	As at March 31,2014
Advance Tax (net of provision)	378	323,264
<b>Total</b>	<b>378</b>	<b>323,264</b>

9) Other Current Assets

(Amount in Rs.)

Particulars	As at March 31,2015	As at March 31,2014
Interest accrued on Fixed Deposit	71,811	-
<b>Total</b>	<b>71,811</b>	<b>-</b>

10) Other Income

(Amount in Rs.)

Particulars	Year ended March 31,2015	Year ended March 31,2014
Interest on Deposits	79,790	3,147,020
Interest on I.T Refund	8,935	4,690
<b>Total</b>	<b>88,725</b>	<b>3,151,710</b>

11) Other Expenses

(Amount in Rs.)

Particulars	Year ended March 31,2015	Year ended March 31,2014
Bank Charges	300	486
Rates and taxes	3,199	2,510
Legal and professional fee	24,362	628,206
Advertisement Expenses	-	2,63,844
<b>Audit fees-</b>		
Audit fee	13,483	13,483
<b>Total</b>	<b>41,344</b>	<b>908,529</b>

12) Earning Per Share (EPS)

(Amount in Rs.)

Particulars	Year ended March 31,2015	Year ended March 31,2014
Profit / (Loss) for the year as per Statement of profit and loss after tax	39,910	1,554,559
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year		
- Fully Paid	250,000	
Number of equity shares issue during the year	Nil	
- Total equity shares outstanding at the end of the year	2,50,000	2,50,000
Weighted average number of equity shares outstanding during the year	2,50,000	16,23,562
Basic and Diluted Earnings Per Share (in Rs.)	0.16	0.96



Nominal Value of Equity Shares (in Rs.)	10	10
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**13) Related Party Disclosures**

In accordance with the requirements of Accounting Standard – 18 on "Related Party Disclosures" notified by (Accounting Standard) Rules, 2006 (as amended) where control exists and transactions have taken place, the description of the relationship as identified and certified by management are as follows:

Related party relationships:

Holding Company	Chambal Fertilisers and Chemicals Limited
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Transactions with related parties during the year: Nil

- 14) Previous year's figures have been regrouped and/or rearranged wherever necessary to conform to this year's classification.

As per our report of even date

For Singhi & Co  
Chartered Accountants  
Firm's Registration No. 302049E

For and on behalf of the Board of Directors of  
India Steamship Limited

  
S.N.Sharma  
Partner  
Membership No.: 014781

  
Anil Kapoor  
Director

  
Abhay Baijal  
Director

Place: New Delhi

Place: New Delhi

Date: 23 APR 2015

Date: 23.04.2015

