

ARUN SINGH & COMPANY

CHARTERED ACCOUNTANTS

F-7, Lajpat Nagar-III, New Delhi-110024

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INDEPENDENT AUDITOR'S REPORT

To the Members of IPL GUJARAT PORT LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **IPL GUJARAT PORT LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and 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

2 The management and Board of Directors of the Company are 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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

3 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 there under. 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.

4 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 management and Board of Directors, as well as evaluating the overall presentation of the financial statements.



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

Opinion

6. 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:
- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2016,
 - (b) In case of the Statement of Profit and loss, of the loss for the year ended on that date and
 - (c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("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" a statement on the matters specified in the paragraph 3 and 4 of the order.

7. As required by section 143(3) of the Act, we further 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the applicable 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 March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) In respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
 - (g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (a) The Company does not have any pending litigations which would impact its financial position.
 - (b) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.



- (c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.

For **ARUN SINGH & CO.**
Chartered Accountants
Firm Regd. No. 011863N



Suraj Prasad Sharma
Partner (M. No. 096806)
Place: New Delhi
Date: 23.05.2016



IPL GUJARAT PORT LIMITED

"Annexure A" to the Auditor's Report

The Annexure referred to in our Report of even date to the members of Company for the year ended 31st March, 2016, we report that:

- i. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold Fixed Assets during the Financial Year 2015-16.
- ii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not started its business; therefore it does not hold any physical inventories.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not given any loans, investments, guarantees, and security covered under the provision of section 185 and 186 of the companies Act, during the year.
- v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not started its business during the year under audit; therefore the maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India.

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any dispute.
- viii. According to the records of the company examined by us and as per the information and explanations given to us, the company does not have any loans or borrowings from any financial institution, banks, Government or dues to debenture holders, accordingly paragraphs 3(viii) of the order is not applicable to the company.



- ix. According to the information and explanations given to us, the company did not raised money by way of Initial Public Offer or further Public Offer (including debt instruments) and Term Loans during the year.
- x. According to the information and explanations given to us and on the basis of our examination of record of company, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no transactions with the related parties have been made by the company covered under the provision of Section 177 & 188 of Companies Act, 2013.
- xiv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the companies Act, 2013 during the year under review.
- xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not entered into any non- cash transactions with Directors or persons connected with him under section 192 of the Companies Act, 2013.
- xvi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **ARUN SINGH & CO.**
Chartered Accountants
Firm Registration No 011863N



Suraj Prasad Sharma
Partner (M. No. 096806)
Place: New Delhi
Date:23/05/2016



“Annexure B” to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **IPL GUJARAT PORT LIMITED** (“the Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

1. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

2. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ARUN SINGH & CO.**
Chartered Accountants
Firm Regd. No. 011863N

Suraj Prasad Sharma
Partner (M. No. 096806)
Place: New Delhi
Date: 23.05.2016



IPL GUJARAT PORT LIMITED
Balance Sheet as at 31 March, 2016

(Rupees in Lakhs)

Particulars		Note No.	As at 31 March, 2016	As at 31 March, 2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	100.00	100.00
	(b) Reserves and surplus	2	10.79	12.15
			110.79	112.15
2	Current liabilities			
	Other current liabilities	3	1.15	1.14
			1.15	1.14
	Total Equity & Liabilities		111.94	113.29
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	Capital work-in-progress	4	20.19	24.46
	(b) Other non-current assets	5	6.40	6.40
			26.59	30.86
2	Current assets			
	Cash and cash equivalents	6	85.35	82.43
			85.35	82.43
	Total Assets		111.94	113.29

Notes (1 to 9), form an integral part of the Financial Statements

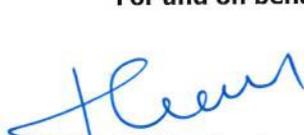
As per our report of even date attached.

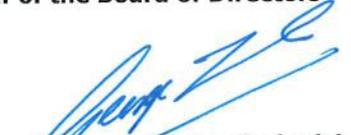
FOR ARUN SINGH & CO.
FRN : 011863N
Chartered Accountants


Suraj Prasad Sharma
Membership No.096806
(Partner)
Place : Chennai
Dated : May 23, 2016



For and on behalf of the Board of Directors


P.S. Gahlaut
(Director)
DIN- 00049401


George Zachariah
(Director)
DIN- 02982085

IPL GUJARAT PORT LIMITED
Statement of Profit & Loss for the year ended 31 March, 2016

(Rupees in Lakhs)

Particulars	Note No.	For the Year Ended 31March, 2016	For the Year Ended 31March, 2015
I Revenue from operations		-	-
II Other Income - Dividend on Mutual Fund		4.38	4.79
III. Total Revenue (I + II)		4.38	4.79
IV. Expenses:			
Other expenses	7	5.74	-
Total expenses		5.74	-
V. Profit before exceptional and extraordinary items and tax (III-IV)		-1.36	4.79
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI) *		-1.36	4.79
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		-1.36	4.79
X Tax expense:		-	-
XI Profit / (Loss) after Tax (IX-X)		-1.36	4.79
Basic / Diluted Earnings per equity share in Rupees: Face Value of Rs. 10 each Notes (1 to 9), form an integral part of the Financial Statements		-0.14	0.48

As per our report of even date attached.

FOR ARUN SINGH & CO.
FRN : 011863N
Chartered Accountants


Suraj Prasad Sharma
Membership No.096806
(Partner)
Place : Chennai
Dated : May 23, 2016



For and on behalf of the Board of Directors


P.S. Gahlaut
(Director)
DIN- 00049401


George Zachariah
(Director)
DIN- 02982085

IPL GUJARAT PORT LIMITED

Cash Flow Statement

(Rupees in Lakhs)

Particulars	For the Year ended 31 March, 2016	For the Year ended 31 March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	(1.36)	4.79
Adjustments for:		
Depreciation	-	-
Preliminary Expenses	-	-
Interest Expense	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-1.36	4.79
Adjustment for		
(Increase)/Decrease in Trade Receivable	-	-
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Other Non Current Assets	-	-
(Increase)/Decrease in Short Term Loans & Advances	-	-
Increase/(Decrease) in Trade Payable	-	-
Increase/(Decrease) in Other Current liabilities	0.01	0.02
Increase/(Decrease) in Provision	-	-
CASH GENERATED FROM OPERATIONS	-1.35	4.81
Interest Paid	-	-
Income Tax Paid	-	-
CASH FLOW BEFORE EXTRA-ORDINARY ITEM	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	-1.35	4.81
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Capital WIP	4.28	-1.93
NET CASH USED IN INVESTING ACTIVITIES-(B)	4.28	-1.93
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured loans received	-	-
Share Capital received	-	-
Share Application Money received	-	-
NET CASH FROM FINANCING ACTIVITIES (C)	-	-
NET INCREASE IN CASH & CASH EQUIVALENTS OF THE YEAR (A+B+C)	2.92	2.87
CASH & CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	82.43	79.56
CASH & CASH EQUIVALENTS AS AT END OF THE YEAR	85.35	82.43

As per our report of even date attached.

FOR ARUN SINGH & CO.

FRN : 011863N

Chartered Accountants

Suraj Prasad Sharma
Membership No.096806
(Partner)

Place : Chennai

Dated : May 23, 2016



For and on behalf of the Board of Directors

P.S. Gahlaut
(Director)
DIN- 00049401

George Zachariah
(Director)
DIN- 02982085

IPL GUJARAT PORT LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENT

(Rupees in Lakhs)

Particulars	As at 31March, 2016	As at 31 March, 2015
NOTE 1 : SHARE CAPITAL		
a) AUTHORISED CAPITAL		
1,00,00,000 Equity Shares of Rs. 10 each	1,000.00	1,000.00
b) ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
10,00,000 Equity Shares of Rs. 10 each fully paid up	100.00	100.00
Indian Potash Limited, the Holding Co hold 999994 Equity of Shares of Rs. 10 each		
Share outstanding at beginning of the year 10,00,000		
Share outstanding at the end of the year 10,00,000	100.00	100.00
NOTE 2 : RESERVES & SURPLUS		
Opening Balance	12.15	7.36
Less: Loss for the year	1.36	4.79
	10.79	12.15
NOTE 3 : OTHER CURRENT LIABILITIES		
Liabilities for Expenses	1.15	1.14
	1.15	1.14
NOTE 4 : CAPITAL WORK IN PROGRESS		
Travelling Expenses	0.48	0.48
Audit Fee	-	4.39
Consultancy Charges	19.71	19.42
Filing Fee	-	0.08
Miscellaneous Expenses	-	0.03
Printing & Stationery	-	0.05
Bank Charges	-	0.02
	20.19	24.46
NOTE 5 : OTHER NON CURRENT ASSETS		
Preliminary Expenses to the extent not written off	6.40	6.40
	6.40	6.40
NOTE 6 : CASH & CASH EQUIVALENTS		
Balance with Scheduled Banks on Current Account	85.35	82.43
	85.35	82.43



IPL GUJARAT PORT LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENT

NOTE 7 : OTHER EXPENSES

(Rupees in Lakhs)

Particulars	As at 31 March, 2015	Expenditures Incurred During the Year	Expenditures Written off During the Year	As at 31 March, 2016
Travelling Expenses	0.48	-	-	0.48
Audit Fee	4.39	1.15	5.53	-
Consultancy Charges	19.42	0.29	-	19.71
Filing Fee	0.08	0.03	0.11	-
Miscellaneous Expenses	0.03	-	0.03	-
Printing & Stationery	0.05	-	0.05	-
Bank Charges	0.02	0.01	0.03	-
	24.46	1.47	5.74	20.19



Note 8 : Significant Accounting Policies

8.1 Accounting Convention

The financial statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said financial statements comply with the relevant provisions of the Companies Act, 2013 (the Act) and the mandatory Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006, to the extent applicable to the Company.

8.2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses and the disclosures relating to contingent assets and liabilities during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

8.3 Fixed Assets and Depreciation

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income attributable to the project is deducted from the total of the indirect expenditure.

8.4 Investments

Long term investments are stated at cost of acquisition. Provision for diminution is made if such diminution is considered other than temporary. Current Investments are carried at lower of cost or market value. The returns on these investments are accounted as dividend income.

8.5 Revenue Recognition

Dividend Income is accounted for when right to receive is established.



9. Notes to Accounts

9.1 The Company was incorporated to set up a port at Gujarat and currently the feasibility study is in progress during the year under reporting. The company has not commenced commercial operation and hence the Statement of Profit & Loss Account has been prepared to include only those expenditure which are not directly attributable to the project.

Expenditure which are directly attributable to the project is accounted and recognized as Capital Work in Progress.

9.2 In the opinion of the Board of Directors the current Assets and Loan & Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated.

9.3 List of Related Parties and Transactions with Related parties

Holding Company	Key Management Personnel
Indian Potash Limited	Dr. P.S. Gahlaut, Director (00049401) Mr. George Zachariah (02982085) Mr. V. P. Pancholi (00526916)

There is no transaction with related parties during the year Financial 2015 – 16 (Previous year Nil).

As per our Report attached

For ARUN SINGH & CO.
FRN : 011863N
Chartered Accountants



Suraj Prasad Sharma
Membership No.096806
(Partner)



For and on behalf of the Board of Directors



P.S. Gahlaut
(Director)
DIN- 00049401



George Zachariah
(Director)
DIN- 02982085

Place: Chennai
Date : May 23, 2016