

**AEGIS INTERNATIONAL MARINE
SERVICES PTE LTD.**

A N N U A L R E P O R T 2 0 1 5 - 1 6

Independent Auditors' Report

THE MEMBERS OF AEGIS INTERNATIONAL MARINE SERVICES PTE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Aegis International Marine Services Pte Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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

Management is responsible for the preparation and presentation 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 Companies Act, 2013 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the accounting and auditing standards and other matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. 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. 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 standalone 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 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, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Matters

We further report that:

1. 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.
2. 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.
3. 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.

4. 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.

Restriction on use:

This report along with the financial statements has been prepared solely to enable Deloitte Haskins and Sells LLP, Chartered Accountants to audit consolidated financial statements of the holding Company viz. Aegis Logistics Limited and should not be used or distributed for any other purpose.

For P.D. Kunte & Co.(Regd.)
Chartered Accountants
Firm Registration No. 105479W

Place: Mumbai
Date: 30th May, 2016

D. P. Sapre
Partner
Membership No. 40740

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD

Balance Sheet as at 31st March, 2016

	Note	March 31, 2016 Rupees	March 31, 2015 Rupees
EQUITY AND LIABILITIES:			
Shareholders' Funds			
Share Capital	2	26,44,000	26,44,000
Reserves & Surplus	3	114,07,867	119,58,684
		140,51,867	146,02,684
Current Liabilities			
Short-Term Borrowings	4	-	-
Trade Payables	5	39,47,859	232,98,152
Other Current Liabilities	6	-	-
Short Term Provisions	7	-	1,41,456
		39,47,859	234,39,608
TOTAL		179,99,726	380,42,291
ASSETS:			
Non - Current Assets			
Long Term Loans and Advances	8	6,11,779	4,90,178
Current Assets			
Trade Receivables	9	139,56,672	347,18,115
Cash and Cash Equivalents	10	8,56,689	4,11,945
Short-Term Loans and Advances	11	25,74,586	24,22,052
TOTAL		179,99,726	380,42,290

Notes 1 to 19 form an integral part of the Financial Statements.

In terms of our report dated 30th May, 2016 attached.

For P.D.Kunte & Co. (Regd.)
Chartered Accountants
Firm Registration No.: 105479W

For and on behalf of the Board

D.P.Sapre
Partner
Membership no.: 40740

R.K.Chandaria
Director

A.K.Chandaria
Director

Mumbai, 30th May, 2016

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD.**Statement of Profit & Loss for the period ended 31st March'2016**

	Note	March 31, 2016	March 31, 2015
		Rupees	Rupees
INCOME:			
Revenue from operations	12	882,18,407	4121,73,287
Other income	13	-	10,08,927
Total Revenue		882,18,407	4131,82,214
EXPENDITURE:			
Material Cost	14	866,67,670	4084,67,370
Administrative, Selling and General Expenses	15	28,10,541	20,37,236
Foreign Currency Translation Adjustment		(8,54,315)	(5,37,883)
Total Expenses		886,23,896	4099,66,723
(Loss) / Profit Before Interest, Tax		(4,05,490)	32,15,491
Finance Costs	16	1,45,326	1,33,301
(Loss) / Profit Before Tax		(5,50,816)	30,82,190
Tax Expenses			
- Current tax		-	1,38,192
- Tax in respect of Earlier Years		-	(1,20,560)
Total Tax Expenses		-	17,632
Profit for the year from Continuing Operations		(5,50,816)	30,64,558
Earnings per Equity Share of USD 1 each			
- Basic	17	(11.02)	61.29
- Diluted		(11.02)	61.29

Notes 1 to 19 form an integral part of the Financial Statements.

In terms of our report dated 30th May, 2016 attached.

For P.D.Kunte & Co. (Regd.)
Chartered Accountants
Firm Registration Number: 105479W

For and on behalf of the Board

D.P.Sapre
Partner
Membership no.: 40740

R.K.Chandaria A.K.Chandaria
Director Director

Mumbai, 30th May, 2016

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD

Notes to the financial statements for the year ended 31st March, 2016

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF BALANCESHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2016

A.1 Background and principal activities

Aegis International Marine Services Pte Limited ("AIMSPL" or "the Company") is a company incorporated in Singapore, on 9th December 2011. AIMSPL is a subsidiary of an Indian company i.e. Aegis Logistics Limited ("Aegis").

AIMSPL was incorporated with the objective to provide assistance to Aegis Group in sourcing of Marine Products, to provide inputs on Port Infrastructure at various Ports and to explore opportunities of logistics business outside India.

A.2 Basis of Preparation

The financial statements have been prepared under the historical cost convention on an accrual basis of accounting.

The Financial Statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended). The accounting policies adopted in the preparation of Financial Statements are consistent with those of the previous year.

The financial statements are reported in United States Dollars (USD) which is the functional currency of the company as that is the primary currency in which the Company conducts its operations. The reporting currency for these financial statements is also US Dollars.

The financial statements as at and for the year ended 31st March, 2016 have been translated into Indian Rupees based at applicable Reserve Bank of India reference rate. As the Company is carrying out business as an extension of Aegis's operations, it is classified as an "integral foreign operation" in accordance with Accounting Standard (AS 11) "The Effects of Changes in Foreign Exchange Rates" notified under the Companies (Accounting Standards) Rules, 2006.

As a result of the foreign operations being integral in nature, the monetary assets and liabilities are translated at exchange rate prevailing at the date of the balance sheet. Non- monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the average exchange rate during the year. The differences arising out of the translation are recognized in the statement of profit and loss.

A.3 Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialise.

A.4 Operating Revenue

Sales turnover for the year is net of trade discounts and includes sales value of goods and other recoveries, such as insurance, transport and packing charges but excludes value added tax.

A.5 Revenue Recognition

Revenue (Income) is recognised when no significant uncertainty as to measurability or collectability exists.

A.6 Inventories

Inventories are valued at cost or Net Realisable Value whichever is less. Cost is determined by using the First In First Out formula. Cost comprises all costs of purchase and cost incurred to bring inventories to their present location and condition other than those subsequently recoverable by the Company from tax authorities.

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD

Notes to the financial statements for the year ended 31st March, 2016

A.7 Earning Per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

A.8 - Provisions, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Claims in respect of which the Company is of the opinion that they are frivolous or is legally advised that they are unsustainable in law are not considered as contingent liability as the possibility of an outflow of resources embodying economic benefits is remote. Contingent Assets are neither recognized nor disclosed in the financial statements.

A.9 Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax for the year is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only if there is a reasonable certainty (virtual certainty in case of business loss) of its realisation.

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD
Notes to Financial Statement for the year ended 31st March, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
2 Share Capital :		
Authorised :		
50,000 Equity Shares of USD 1 each fully paid up	26,44,000	26,44,000
(Previous Year: 50,000 Equity Shares USD 1 each)		
TOTAL	26,44,000	26,44,000
Issued, Subscribed & Paid-up :		
50,000 Equity Shares of USD 1 each fully paid up	26,44,000	26,44,000
(Previous Year: 50,000 Equity Shares USD 1 each)		
TOTAL	26,44,000	26,44,000

a Reconciliation of the number of shares outstanding at the beginning and at the end of the repor

	March 31, 2016	March 31, 2015
Equity Shares	Amount (Rs.)	Amount (Rs.)
Opening Balance	26,44,000	26,44,000
Add: Issue of share during the year	-	-
Outstanding at the end of the period	26,44,000	26,44,000

b Terms/Rights attached to Equity Shares:

Fully paid equity shares, which have a par value of USD 1, carry one vote per share and carry a right to dividends.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c During the period of five years immediately preceding the reporting date:

- (i) The Company has not issued any shares pursuant to contract(s) without payment being
- (ii) The Company has not allotted any shares as fully paid up by way of bonus shares.
- (iii) The Company has not bought back any shares.

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

Equity Shares

	March 31,2016	March 31, 2015
Name of shareholder	% of Holding	% of Holding
Aegis Logistics Limited, Holding Company	100.00	100.00

As per the records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e Details of shares held by Holding Company:

Equity Shares

	March 31,2016	March 31, 2015
Name of shareholder	% of Holding	% of Holding
Aegis Logistics Limited	100.00	100.00

3 Reserves and Surplus:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Profit and Loss account	114,07,867	119,58,684
TOTAL	114,07,867	119,58,684

3.1 Profit and loss account

Balance as per last year	119,58,684	88,94,126
Profit / (Loss) for the year from Continuing Operations	(5,50,816)	30,64,558
Less: Appropriations		
Transferred to General Reserve	-	-
Balance at end of year	114,07,867	119,58,684

4 Short Term Borrowings:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Unsecured:		
Loan from Related Parties (Refer Note 4.1 & 18)	-	-
TOTAL	-	-

4.1 Loan from related parties denotes interest free loan from fellow subsidiary company repayable on demand.

5 Trade Payables:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Due to Micro, Small and Medium Enterprises	-	-
Others	39,47,858	232,98,152
TOTAL	39,47,858	232,98,152

6 Other Current Liabilities:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Statutory Payables	-	-
TOTAL	-	-

7 Short Term Provisions

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Provision for Tax (net)		1,41,455
	-	1,41,455

Notes to the financial statements for the period ended 31st March, 2016

8 Long Term Loans and Advances

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Unsecured, considered good:		
Security Deposit	5,19,484	4,90,178
Income Tax Paid (net)	92,295	
TOTAL	6,11,779	4,90,178

9 Trade Receivables

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Unsecured		
Debts due for a period exceeding six months from the date they became due:		
- Considered Good	139,56,672	131,69,322
- Considered Doubtful	-	-
	139,56,672	131,69,322
Other Debts - Considered Good	-	215,48,793
TOTAL	139,56,672	347,18,115

10 Cash & Bank Balances:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Cash and Cash Equivalents:		
Cash on hand	-	-
Balance with Banks on Current Accounts	8,56,689	4,11,945
TOTAL	8,56,689	4,11,945

11 Short Term Loans and Advances:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Unsecured, considered good:		
Prepaid Expenses	9,51,448	9,11,853
Receivable Income	-	-
Advance to Suppliers	16,23,138	15,10,199
TOTAL	25,74,586	24,22,052

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD
Notes to the financial statements for the period ended 31st March, 2016

	March 31, 2016	March 31, 2015
	Rupees	Rupees
12 Revenue from Operations:		
Sale of Products		
Traded Products	882,18,407	4121,73,287
TOTAL	882,18,407	4121,73,287
12.1 Details of Product Sold:		
Marine Fuel Oil	882,18,407	4121,73,287
13 Other Income:		
Miscellaneous Receipts	-	10,08,927
TOTAL	-	10,08,927
14 Material Cost:		
Purchase of Trading Products	866,67,670	4084,67,370
TOTAL	866,67,670	4084,67,370
14.1 Details of Trading Purchases		
Marine Fuel Oil	866,67,670	4084,67,370
15 Other Expenses:		
Rent	31,957	29,082
Rebate & Discount	(1,218)	5,253
Legal and Professional charges	27,79,802	20,02,840
Printing & Stationery	-	-
Sundry Expenses	-	61
TOTAL	28,10,541	20,37,236
16 Finance Costs:		
Interest Expense	-	-
Bank / Finance Charges	1,45,326	1,33,301
TOTAL	1,45,326	1,33,301

Notes to the financial statements for the period ended 31st March, 2016

	March 31, 2016	March 31, 2015
	Rupees	Rupees

17 Related Party Disclosures

As per the Accounting Standard 18, issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
Aegis Group International Pte.Ltd.	Fellow Subsidiary

(b) Transactions during the year with related parties:

S No	Nature of transaction	Fellow Subsidiary
1	Loan Received during the year	- (1224,74,548)
2	Loan Repaid during the year	- (1273,37,092)
3	Amount Paid on behalf	- -
	Balance at 31st March	
4	Short Term Borrowings	- -
5	Outstanding guarantee given to supplier on our behalf	
	(813,68,040)	

Note: Figures in brackets represent previous year's figures

Notes to the financial statements for the period ended 31st March, 2016

18 Earnings Per Share:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Profit for the year	(5,50,816)	30,64,558
Weighted average number of Equity Shares (Nos)	50,000	50,000
Earning per share basic and diluted	(11.02)	61.29
Face value per equity share (USD)	1.00	1.00

19 The figures of the previous year have been regrouped / reclassified so as to confirm to those of the current year.

For P.D.Kunte & Co. (Regd.)
Chartered Accountants
Firm Regn.no.105479W

For and on behalf of the Board

D.P.Sapre
Partner
Membership no. 40740

R.K.Chandaria
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Mumbai, 30th May, 2016