

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, 2017, 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, 2017 and its loss 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 Delloitte 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, 2017

D. P. Sapre
Partner
Membership No. 40740

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD

Balance Sheet as at 31st March, 2017

	Note	March 31, 2017 USD	March 31, 2017 Rupees	March 31, 2016 USD	March 31, 2016 Rupees
EQUITY AND LIABILITIES:					
Shareholders' Funds					
Share Capital	2	70,000	4,009,200	50,000	2,644,000
Reserves & Surplus	3	161,585	11,006,430	161,839	11,407,867
		231,585	15,015,630	211,839	14,051,867
Current Liabilities					
Trade Payables	4	649,048	42,083,381	59,516	3,947,858
		649,048	42,083,381	59,516	3,947,858
TOTAL		880,633	57,099,011	271,354	17,999,725
ASSETS:					
Non - Current Assets					
Long Term Loans and Advances	5	7,831	507,782	9,223	611,779
Current Assets					
Trade Receivables	6	835,552	54,176,043	210,403	13,956,672
Cash and Cash Equivalents	7	9,850	638,643	12,915	856,689
Short-Term Loans and Advances	8	27,399	1,776,543	38,813	2,574,585
TOTAL		880,633	57,099,011	271,355	17,999,725

Notes 1 to 20 form an integral part of the Financial Statements.

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD.

Statement of Profit & Loss for the year ended 31st March'2017

	Note	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
		USD	Rupees	USD	Rupees
INCOME:					
Revenue from operations	9	2,339,006	156,922,973	1,347,646	88,218,407
Other income	10	22,572	1,514,367	-	-
Total Revenue		2,361,578	158,437,340	1,347,646	88,218,407
EXPENDITURE:					
Material Cost	11	2,314,546	155,281,951	1,323,957	86,667,670
Administrative, Selling and General Expenses	12	45,061	3,023,096	42,935	2,810,541
Foreign Currency Translation Adjustment		-	384,399	-	(854,315)
Total Expenses		2,359,606	158,689,446	1,366,891	88,623,896
(Loss) / Profit Before Interest, Tax		1,972	(252,106)	(19,245)	(405,489)
Finance Costs	13	2,406	161,446	2,220	145,326
(Loss) / Profit Before Tax		(435)	(413,552)	(21,465)	(550,816)
Tax Expenses					
- Current tax		-	-	-	-
- Tax in respect of Earlier Years		(181)	(12,116)	-	-
Total Tax Expenses		(181)	(12,116)	-	-
Profit for the year from Continuing Operations		(254)	(401,437)	(21,465)	(550,816)
Earnings per Equity Share of USD 1 each					
- Basic	14	(0.00)	(7.03)	(0.43)	(11.02)
- Diluted		(0.00)	(7.03)	(0.43)	(11.02)

Notes 1 to 20 form an integral part of the Financial Statements.

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2017

	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	USD	Rupees	USD	Rupees
A. Cash Flow from Operating Activities:				
Profit Before Tax	(435)	(413,552)	(21,465)	(550,816)
Adjustments for:				
Sundry Credit Balance written back	(22,572)	(1,514,367)		
Interest Expenses (Net)	2,406	161,446	2,220	145,326
	(20,166)	(1,352,921)	2,220	145,326
Operating Profit Before Working Capital Changes	(20,600)	(1,766,473)	(19,245)	(405,489)
Decrease/(Increase) in Trade receivables	(625,149)	(40,219,371)	344,281	20,761,442
Decrease/(Increase) in Long Term loans and advances	1,391	103,997	(1,391.00)	(121,601)
Decrease/(Increase) in Short Term loans and advances	11,414	798,042	(117)	(152,533)
(Decrease) / Increase in Trade Payables	612,104	39,649,890	(312,716)	(19,350,294)
(Decrease) / Increase in Other current liabilities	-	-	-	-
	(240)	332,557	30,058	1,137,014
Cash Generated from Operations	(20,841)	(1,433,916)	10,812	731,524
Direct Taxes Paid	181	12,116	(2,259)	(141,455)
Net Cash Flow from Operating Activities - A	(20,660)	(1,421,800)	8,553	590,069
B. Cash Flow from Investing Activities: B	-	-	-	-
C. Cash Flow from Financing Activities:				
Share Capital	20,000	1,365,200	-	-
(Decrease) / Increase in Short Term Borrowings (net)	-	-		
Interest & Finance Charges	(2,406)	(161,446)	(2,220)	(145,326)
Net Cash from Financing Activities - C	17,594	1,203,754	(2,220)	(145,326)
Net Increase / (Decrease) in Cash and Cash Equivalents -A+B+C	(3,066)	(218,047)	6,333	444,742
Cash and Cash Equivalents as at the end of the year:				
- Cash & Balances in Current Accounts with Banks	9,850	638,643	12,915	856,689
- Deposits with Banks and Interest Accrued thereon	-	-	-	-
	9,850	638,643	12,915	856,689
Less: Cash and Cash Equivalents as at the beginning of the year	12,915	856,689	6,582	411,946
Net Increase / (Decrease) in Cash and Cash Equivalents	(3,065)	(218,045)	6,333	444,743
Note:				
1 Figures in bracket denote outflow of cash.				
2 The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) "Cash Flow Statements".				

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD

Notes to the financial statements for the year ended 31st March, 2017

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, 2017****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, 2017

	March 31, 2017 USD	March 31, 2017 Rupees	March 31, 2016 USD	March 31, 2016 Rupees
2 Share Capital :				
Authorised :				
70,000 Equity Shares of USD 1 each fully paid up (Previous Year: 50,000 Equity Shares USD 1 each)	70,000	4,009,200	50,000	2,644,000
TOTAL	70,000	4,009,200	50,000	2,644,000
Issued, Subscribed & Paid-up :				
50,000 Equity Shares of USD 1 each fully paid up (Previous Year: 50,000 Equity Shares USD 1 each)	70,000	4,009,200	50,000	2,644,000
TOTAL	70,000	4,009,200	50,000	2,644,000

a Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Equity Shares	March 31, 2017		March 31, 2016	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Opening Balance	50,000	2,644,000	50,000	2,644,000
Add: Issue of share during the year	20,000	1,365,200	-	-
Outstanding at the end of the period	70,000	4,009,200	50,000	2,644,000

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 received in cash.

(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, 2017		March 31, 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Name of shareholder				
Aegis Logistics Limited, Holding Company	70,000	100.00	50,000	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, 2017		March 31, 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Name of shareholder				
Aegis Logistics Limited	70,000	100.00	50,000	100.00

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD

Notes to the financial statements for the period ended 31st March, 2017

3 Reserves and Surplus:				
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	USD	Rupees	USD	Rupees
Profit and Loss account	161,585	11,006,430	161,839	11,407,867
TOTAL	161,585	11,006,430	161,839	11,407,867
3.1 Profit and loss account				
Balance as per last year	161,839	11,407,867	183,304	11,958,683
Profit / (Loss) for the year from Continuing Operations	(254)	(401,437)	(21,465)	(550,816)
Less: Appropriations				
Transferred to General Reserve	-	-	-	-
Balance at end of year	161,585	11,006,430	161,839	11,407,867
4 Short Term Borrowings:				
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	USD	Rupees	USD	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, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	USD	Rupees	Rupees	Rupees
Due to Micro, Small and Medium Enterprises	-	-	-	-
Others	649,048	42,083,381	59,516	3,947,858
TOTAL	649,048	42,083,381	59,516	3,947,858
6 Other Current Liabilities:				
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	USD	Rupees	USD	Rupees
Statutory Payables	-	-	-	-
TOTAL	-	-	-	-
7 Short Term Provisions				
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	USD	Rupees	USD	Rupees
Provision for Tax (net)			-	-
	-	-	-	-

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD					
Notes to the financial statements for the period ended 31st March, 2017					
8	Long Term Loans and Advances				
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
		USD	Rupees	USD	Rupees
	Unsecured, considered good:				
	Security Deposit	7,831	507,782	7,831	519,484
	Income Tax Paid (net)	-	-	1,391	92,295
	TOTAL	7,831	507,782	9,223	611,779
9	Trade Receivables				
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
		USD	Rupees	Rupees	Rupees
	Unsecured				
	Debts due for a period exceeding six months from the date they became due:				
	- Considered Good	210,403	13,642,266	210,403	13,956,672
	- Considered Doubtful	-	-	-	-
		210,403	13,642,266	210,403	13,956,672
	Other Debts - Considered Good	625,149	40,533,777	-	-
	TOTAL	835,552	54,176,043	210,403	13,956,672
10	Cash & Bank Balances:				
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
		USD	Rupees	USD	Rupees
	Cash and Cash Equivalents:				
	Cash on hand	-	-	-	-
	Balance with Banks on Current Accounts	9,850	638,643	12,915	856,689
	TOTAL	9,850	638,643	12,915	856,689
11	Short Term Loans and Advances:				
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
		USD	Rupees	USD	Rupees
	Unsecured, considered good:				
	Prepaid Expenses	13,756	891,939	14,344	951,448
	Receivable Income	-	-	-	-
	Advance to Suppliers	13,643	884,604	24,470	1,623,138
	TOTAL	27,399	1,776,543	38,813	2,574,585

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD					
Notes to the financial statements for the period ended 31st March, 2017					
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
		USD	Rupees	USD	Rupees
12	Revenue from Operations:				
	Sale of Products				
	Traded Products	2,339,006	156,922,973	1,347,646	88,218,406.59
	TOTAL	2,339,006	156,922,973	1,347,646	88,218,407
12.1	Details of Product Sold:				
	Marine Fuel Oil	2,339,006	156,922,973	1,347,646	88,218,407
13	Other Income:				
	Miscellaneous Receipts	-	-	-	-
	Sundry Credit Balances Written Back	22,572	1,514,367		
	TOTAL	22,572	1,514,367	-	-
14	Material Cost:				
	Purchase of Trading Products	2,314,546	155,281,951	1,323,957	86,667,670
	TOTAL	2,314,546	155,281,951	1,323,957	86,667,670
14.1	Details of Trading Purchases				
	Marine Fuel Oil	2,314,546	155,281,951	1,323,957	86,667,670
15	Other Expenses:				
	Rent	470	31,533	488	31,957
	Rebate & Discount	(354)	(23,779)	(19)	(1,218)
	Legal and Professional charges	44,945	3,015,342	42,465	2,779,802
	Printing & Stationery	-	-	-	-
	TOTAL	45,061	3,023,096	42,935	2,810,541
16	Finance Costs:				
	Interest Expense	-	-	-	-
	Bank / Finance Charges	2,406	161,446	2,220	145,326
	TOTAL	2,406	161,446	2,220	145,326

AEGIS INTERNATIONAL MARINE SERVICES PTE. LTD				
Notes to the financial statements for the period ended 31st March, 2017				
17 Earnings Per Share:				
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	USD	Rupees	USD	Rupees
Profit for the year	(254)	(401,437)	(21,465)	(550,816)
Weighted average number of Equity Shares (Nos)	57,123	57,123	50,000	50,000
Earning per share basic and diluted	(0.00)	(7.03)	(0.43)	(11.02)
Face value per equity share (USD)	1.00	1.00	1.00	1.00
18 The figures of the previous year have been regrouped / reclassified so as to confirm to those of the current year.				