

AEGIS OVERSEAS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED

31 MARCH 2013

Registered office:

P.O. Box 50127  
Dubai, United Arab Emirates

AEGIS OVERSEAS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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**AUDITOR'S REPORT TO THE SHAREHOLDER OF AEGIS OVERSEAS LIMITED**

**Report on the financial statements**

We have audited the accompanying financial statements of AEGIS OVERSEAS LIMITED, Dubai, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 2 to 11.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

We refer note 3 to the financial statements, which states International Accounting Standard 28: Investments in associates requires investment in associates to be accounted under the equity method. The company has not followed the equity method of accounting for investment in associates.

**Opinion**

In our opinion, except for the matter stated in preceding paragraph, the financial statements give a true and fair view of the financial position of AEGIS OVERSEAS LIMITED, Dubai as at 31 March 2013 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards. The company has complied with Ras Al Khaimah Free Trade Zone Authority International Companies Regulations 2006.

*Puthran*  
Puthran  
CHARTERED ACCOUNTANTS  
Dubai, United Arab Emirates  
10 April 2013



AEGIS OVERSEAS LIMITEDSTATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013( IN U.S. DOLLARS )

	<u>NOTES</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
<u>NON-CURRENT ASSETS</u>			
Investment in associates	3	63,663	=
<u>CURRENT ASSETS</u>			
Other receivables		603	603
Cash & cash equivalents	4	1,540,705	39,606
Due from a associate	5	20,000	--
Due from a related party	5	1,255,000	1,780
		-----	-----
		2,816,308	41,989
<u>LESS: CURRENT LIABILITIES</u>			
Due to a associate	5	(23,842)	--
Trade & other payables	6	(1,105,127)	(812)
		-----	-----
		(1,128,969)	(812)
<u>NET CURRENT ASSETS</u>			
		-----	-----
		1,687,339	41,177
		-----	-----
		1,751,002	41,177
		=====	=====
<u>REPRESENTED BY</u>			
Share capital	7	10,000	10,000
Retained earnings		1,741,002	31,177
		-----	-----
Equity funds		1,751,002	41,177
		=====	=====

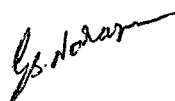
Annexed schedule of notes form an integral part of these financial statements.

Approved by the directors on 10 April 2013.

FOR AEGIS OVERSEAS LIMITED

AUDITOR'S REPORT PAGE 1.


  
 DIRECTORS




AEGIS OVERSEAS LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2013

( IN U.S. DOLLARS )

	<u>NOTES</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
REVENUE		9,780,279	986,000
Less: Cost of sales		(8,032,232)	(818,844)
GROSS PROFIT		----- 1,748,047	----- 167,156
Other operating income		70,181	16
Other operating expenses		(65,602)	(29,001)
PROFIT FROM OPERATING ACTIVITIES		----- 1,752,626	----- 138,171
Interest income		150	28
Finance costs	8	(42,951)	(13,209)
PROFIT FOR THE YEAR		----- 1,709,825	----- 124,990
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		=====	=====

Annexed schedule of notes form an integral part of these financial statements.

FOR AEGIS OVERSEAS LIMITED

AUDITOR'S REPORT PAGE 1.

DIRECTORS



AEGIS OVERSEAS LIMITEDSTATEMENT OF CHANGES IN EQUITYFOR THE YEAR ENDED 31 MARCH 2013( IN U.S. DOLLARS )

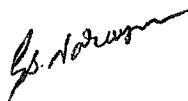
	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
As at 31.03.2011	10,000	271,187	281,187
Dividend	--	(271,187)	(271,187)
Total comprehensive income for the year	--	124,990	124,990
Interim dividend	--	(93,813)	(93,813)
As at 31.03.2012	10,000	31,177	41,177
Total comprehensive income for the year	--	1,709,825	1,709,825
As at 31.03.2013	10,000	1,741,002	1,751,002
	=====	=====	=====

Annexed schedule of notes form an integral part of these financial statements.

FOR AEGIS OVERSEAS LIMITED

AUDITOR'S REPORT PAGE 1.

DIRECTORS



AEGIS OVERSEAS LIMITEDSTATEMENT OF CASH FLOWSFOR THE YEAR ENDED 31 MARCH 2013( IN U.S. DOLLARS )

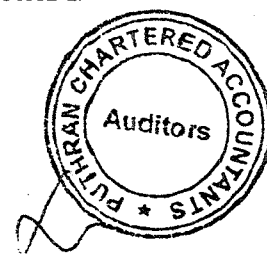
Cash flows from operating activities	NOTES	31.03.2013	31.03.2012
Profit for the year		1,709,825	124,990
Adjustments for:			
Interest income		(150)	(28)
Finance costs		42,951	13,209
Operating profit before changes in operating assets and liabilities		1,752,626	138,171
Decrease in other receivables		-	52,269
(Increase) in due from a associate		(20,000)	-
(Increase) in due from a related party		(1,253,220)	(1,780)
Increase in due to a associate		23,842	-
Increase/(decrease) in trade & other payables		1,104,315	(1,432)
Cash generated from operations		1,607,563	187,228
Finance charges paid		(42,951)	(13,209)
Net cash from operating activities	(A)	1,564,612	174,019
Cash flows from investing activities			
Interest received		150	28
Investments in associates		(63,663)	-
Net cash (used in)/from investing activities	(B)	(63,513)	28
Cash flows from financing activities			
Dividends paid		-	(365,000)
Net cash (used in) financing activities	(C)	-	(365,000)
Net increase/(decrease) in cash & cash equivalents	(A+B+C)	1,501,099	(190,953)
Cash and cash equivalents at beginning of the year		39,606	230,559
Cash and cash equivalents at end of the year	4	1,540,705	39,606

Annexed schedule of notes form an integral part of these financial statements.

FOR AEGIS OVERSEAS LIMITED


  
 DIRECTORS

AUDITOR'S REPORT PAGE 1.



AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2013( IN U.S. DOLLARS )1.0 LEGAL STATUS AND BUSINESS ACTIVITIES1.1 LEGAL STATUS

AEGIS OVERSEAS LIMITED is a company formed in Ras Al Khaimah Free Trade Zone, United Arab Emirates under the International Companies Regulations of 2006 of Ras Al Khaimah Free Trade Zone. The registered number of the company is 1680 and was incorporated on 21 May 2011.

The shareholder of the AEGIS OVERSEAS LIMITED is as under:

	<u>Share in Share Capital of the Company</u>
M/s Aegis Business Limited (Parent Company)	100 %

1.2 BUSINESS ACTIVITIES

The company is engaged in the business of general trading outside UAE.

2.0 PRINCIPAL ACCOUNTING POLICIES2.1 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB).

2.2 CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand, bank balance in current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

2.3 INVESTMENT IN ASSOCIATES

Investment in associates represents investments in company over which the company has the power to exercise significant influence, through participation in the investee's financial and operating policy decisions. Such investments are accounted at cost.

2.4 FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument, excluding investments in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.



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AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2013( IN U.S. DOLLARS )2.5 REVENUE

Revenue represents the net amount invoiced for the goods delivered during the year.

2.6 FOREIGN CURRENCY TRANSACTIONS

- i) Transactions in UAE Dirhams are translated into U.S. Dollars at the rate of exchange ruling on the date of the transaction.
- ii) Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling as on the date of statement of financial position.
- iii) Gains and losses resulting from foreign currency transactions are taken to the statement of comprehensive income.

2.7 BORROWING COSTS

Borrowing costs are recognised as an expense in the year in which they are incurred.

2.8 SIGNIFICANT JUDGMENTS AND KEY ASSUMPTIONS

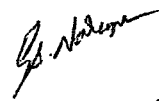
The significant judgments made in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are as follows:

i) Doubtful debts

Management regularly undertakes a review of the amounts of receivable owed to the company either from customers or from related parties, and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates, extent of confirmations, and assessed creditworthiness of the debtor. Based on the assessment, assumptions are made as to the level of provisioning required.

ii) Impairment

As on the date of statement of financial position, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired in the absence of such indications, no further action is taken, if such indications do exist, an analysis of each assets is undertaken to determine its net recoverable amount and, if this is below its carrying amount, the assets are written down to their recoverable amount.



AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2013( IN U.S. DOLLARS )

3. <u>INVESTMENT IN ASSOCIATES</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
Aegis Siam LTD - 49% interest Company incorporated under laws of Thailand (9,799 shares of THB 100 each)	31,830	--
Aegis Siam Resources Co. LTD - 49% interest Company incorporated under laws of Thailand (9800 shares of THB 100 each)	31,833	--
	-----	-----
	63,663	--
	=====	=====

Note:

International Accounting Standard 28 : Investments in associates requires Investment in associates to be accounted under the equity method. The company has not followed the equity method of accounting for Investment in associates.

4. <u>CASH &amp; CASH EQUIVALENTS</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
Cash on hand	7,130	--
Bank balances		
- Current accounts	2,163	2,306
- Call accounts	1,531,412	37,300
	-----	-----
	1,540,705	39,606
	=====	=====

5. RELATED PARTY

The company enter into transactions with companies that fall within the definition of a related party as contained in International Accounting Standards 24. The management consider such transactions to be in normal course of business and at terms which correspond to those on normal arm's length transactions with third party.

Related party comprise companies under common management control.

As on the date of statement of financial position balances with related party were as follows:

	<u>31.03.2013</u>	<u>31.03.2012</u>
<u>Disclosed as due from a associate</u> Aegis Siam Resources Co. Ltd	20,000	--
	=====	=====
<u>Disclosed as due from a related party</u> Parent company - Aegis Business Ltd	1,255,000	1,780
	-----	-----
<u>Disclosed as due to a associates</u> Aegis Siam Resources Co. Ltd	23,842	--
	-----	-----
<u>Included in trade payables</u> Century plyboards India Limited	925,249	--
	-----	-----



AEGIS OVERSEAS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013

( IN U.S. DOLLARS )

The nature of significant related party transactions and the amounts involved are as follows:

	<u>31.03.2013</u>	<u>31.03.2012</u>
Purchase	3,139,191	--
	=====	=====
Interest expense	1,615	7,358
	=====	=====

The company also provides/receives funds to/from related party as and when required as working capital facilities.

As at 31 March 2013, the company holds investment in the following associate, and has 31 December 2012 as its reporting date :

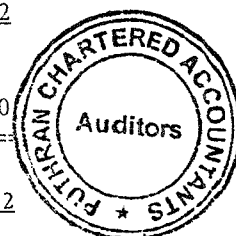
<u>Name of the associates</u>	<u>Country of incorporation</u>	<u>Beneficial ownership interest %</u>	<u>Principal activities</u>
Aegis Siam Ltd	Thailand	49%	As per notes
Aegis Siam Resources Co. Ltd	Thailand	49%	As per notes

Notes:

- i) Aegis Siam Ltd is a company engaged in trading of mining products and hotel business.
- ii) Aegis Siam Resources Co. Ltd is a company engaged in trading of mining products and hotel business.

6.	<u>TRADE &amp; OTHER PAYABLES</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
	Trade payables	1,098,677	--
	Accruals	--	812
	Other payable	6,450	--
		-----	-----
		1,105,127	812
		=====	=====
7.	<u>SHARE CAPITAL</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
	<u>Authorised, issued and paid up.</u>		
	10 shares of USD 1,000 each	10,000	10,000
		=====	=====
8.	<u>FINANCE COSTS</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
	On bank charges	41,336	5,851
	On short term loan from a related party	1,615	7,358
		-----	-----
		42,951	13,209
		=====	=====
9.	<u>DIVIDEND</u>		

Dividend paid for the year USD nil (previous year USD 365,000) represents a dividend per share of USD nil (previous year USD 36,500).



*[Handwritten Signature]*

AEGIS OVERSEAS LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 MARCH 2013( IN U.S. DOLLARS )10. FINANCIAL INSTRUMENTS: RISK MANAGEMENT

The principal risks associated with financial instruments such as credit risk, market risk and liquidity risk are managed by placing cash and cash equivalents with various financial institutions of high credit rating, transacting business in AED & USD with counterparties of repute, and by monitoring on a regular basis that sufficient funds are available to meet maturing obligations.

i) Capital risk

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to directors through optimisation of the debt and equity balance.

The capital structure of the company comprises of equity funds as presented in the statement of financial position. Debt comprises of total amounts payable to third parties net of cash and cash equivalents.

The company reviews the capital structure on a semi-annual basis, considers the cost of capital.

ii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, an adequate amount of credit facilities and the ability to close out market positions. Due to dynamic nature of the underlying businesses, the company maintain flexibility in funding by maintaining adequate availability of cash and cash equivalents.

iii) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of bank accounts and other receivables.

The company's bank accounts are placed with high credit quality financial institutions.

iv) Interest rate risk

Interest on loan from a related party are at fixed rate of interest. The company's call accounts are at a floating rate.

Reasonable increase/decrease in interest rate will not have any significant impact on profit or equity.

v) Exchange rate risk

There are no significant exchange rates risks as substantially all financial assets and financial liabilities are denominated in US Dollars to which the Dirham is fixed.

11. FINANCIAL INSTRUMENTS: FAIR VALUES

The fair value of a financial instrument is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value of the company's financial assets and liabilities approximate to their carrying values.



AEGIS OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

( IN U.S. DOLLARS )

12. CONTINGENT LIABILITIES

There were no contingent liabilities of significant amount as on the date of statement of financial position.

13. CAPITAL COMMITMENTS

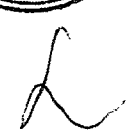
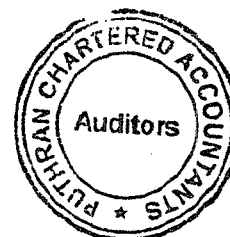
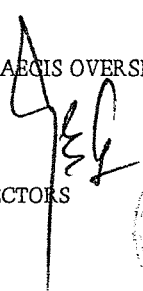
There were no capital commitments of a significant amount as on the date of statement of financial position.

14. COMPARATIVE FIGURES

Previous year figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.

FOR AEGIS OVERSEAS LIMITED

DIRECTORS



**AEGIS OVERSEAS LTD**  
 408, DUBAI REAL ESTATE CENTRE  
 AL MINA ROAD, SATWA  
 P.O. BOX 50127, DUBAI, UAE.

**Balance Sheet**

1-Apr-2012 to 31-Mar-2013

Particulars	Closing Balance as at 31-Mar-2013		Conversion Rate	Equivalent INR
	Amount(USD)	Amount(USD)		
<b>Sources of Funds :</b>				
<b>Capital Account</b>				
<i>Capital</i>	10,000.00	10,000.00	\$ 54.39	4,90,000.00
<b>Reserves &amp; Surplus</b>				
<i>Opening Balance</i>	31,177.00			5,21,731.68
<i>Current Period profit Transferred</i>	17,09,825.00	17,41,002.00		7,63,58,274.00
<i>Foreign Exchange Translation Reserve Gain/(Loss)</i>				1,84,40,486.49
<b>Total</b>		<b>17,51,002.00</b>	<b>\$ 54.39</b>	<b>9,58,10,492.17</b>
<b>Application of Fund:</b>				
<b>Investments in Associates</b>	63,663.00	63,663.00	\$ 54.39	34,62,631.00
<b>Current Assets</b>				
<i>Other Receivables</i>	603.00		\$ 54.39	32,797.17
<i>Advance to a subsidiary</i>	12,55,000.00			6,88,32,943.00
<i>Due from Associates</i>	20,000.00		\$ 54.39	10,87,800.00
<i>Cash in Hand</i>	15,40,705.00	28,16,308.00	\$ 54.39	8,37,98,945.00
<b>Current Liabilities</b>				
<i>Due to a associate</i>	23,842.00			
<i>Sundry Creditors</i>	11,05,127.00	11,28,969.00	\$ 54.39	6,14,04,624.00
<b>Total</b>		<b>17,51,002.00</b>	<b>\$ 54.39</b>	<b>9,58,10,492.17</b>

**AEGIS OVERSEAS LTD**  
 408, DUBAI REAL ESTATE CENTRE  
 AL MINA ROAD, SATWA  
 P.O. BOX 50127, DUBAI, UAE.

**Profit & Loss A/c**

1-Apr-2012 to 31-Mar-2013

Particulars	Closing Balance as at 31-Mar-2013		Conversion Rate	Equivalent INR
	Amount(USD)	Amount(USD)		
<b><u>Trading Account :</u></b>				
<b>Sales Accounts</b>				
<i>Sales</i>	97,80,279.00	97,80,279.00	\$ 52.78	51,62,03,126.00
<b><u>Less: Cost of Sales :</u></b>				
<b>Purchase Accounts</b>				
<i>Purchase</i>	80,32,232.00	80,32,232.00		43,78,34,390.00
				-
				-
				-
<b>Gross Profit</b>	<b>17,48,047.00</b>	<b>17,48,047.00</b>	<b>\$ 52.78</b>	<b>7,83,68,736.00</b>
<b><u>Income Statement :</u></b>				
<b>Interest Income</b>				
<i>- Interest Received</i>	150.00	150.00	\$ 52.78	7,917.00
<b>Other Operating Income</b>				
Address Commission	64,059.00	64,059.00	\$ 52.78	33,81,034.00
Despatch Money	5,360.00	5,360.00	\$ 52.78	2,82,901.00
Forex Gain	85.00	85.00	\$ 52.78	4,486.00
Liability no Longer required w/back	677.00	677.00	\$ 52.78	35,732.00
	<b>18,18,378.00</b>	<b>18,18,378.00</b>		<b>8,20,80,806.00</b>
<b>Less : Finance Costs</b>				
Bank Charges	41,336.00		\$ 52.78	21,81,714.00
Short Term Loan from Related Party	1,615.00	42,951.00	\$ 52.78	78,344.00
<b>Less : Other Operating Expense</b>				
Directors Remuneration	2,740.00	2,740.00	\$ 52.78	1,44,617.00
Insurance	31,940.31	31,940.31	\$ 52.78	16,85,810.00
Survey and Sampling	2,946.33	2,946.33	\$ 52.78	1,55,507.00
Audit Fees	3,014.00	3,014.00	\$ 52.78	1,59,079.00
Communication Cost	171.99	171.99	\$ 52.78	9,078.00
Office Rent	3,616.80	3,616.80	\$ 52.78	1,90,895.00
Professional Service Charges	3,648.00	3,648.00	\$ 52.78	1,92,541.00
RAK Licence Renewal Fees	1,424.80	1,424.80	\$ 52.78	75,201.00
Demmorage/Despatch Money	14,902.53	14,902.53	\$ 52.78	7,86,556.00
Staff Service and Solutions	107.20	107.20	\$ 52.78	5,658.00
Travelling Expenses	1,090.04	1,090.04	\$ 52.78	57,532.00
<b>Nett Profit / (Loss)</b>	<b>17,09,825.00</b>	<b>17,09,825.00</b>	<b>\$ 52.78</b>	<b>7,63,58,274.00</b>