THE GREAT EASTERN
SHIPPING CO. LTD.

69TH ANNUAL REPORT 2016-17

# (SUBSIDIARIES' REPORTS)

# The Great Eastern Shipping Co. Ltd.

## Contents

# THE GREATSHIP (SINGAPORE) PTE. LTD.

**A SUBSIDIARY COMPANY**

| | |
|---|---|
| DIRECTORS: | Jaya Prakash<br>Shivakumar Gomathinayagam<br>Jayesh Madhusudan Trivedi |
| REGISTERED OFFICE: | 15 Hoe Chiang Road<br>#06-03 Tower 15<br>Singapore 089316 |
| REGISTRATION NUMBER | 199401313D |
| AUDITORS: | JBS Practice PAC<br>137 Telok Ayer Street #05-03<br>Singapore 068602 |
| COMPANY SECRETARY: | Cheng Lian Siang |

# DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of The Greatship (Singapore) Pte. Ltd. (the "company") for the financial year ended 31 March 2017.

## Opinion of the Directors

In the opinion of the directors,

(a) the accompanying financial statements of the company together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

## Directors

The directors of the company in office at the date of this statement are:

Jaya Prakash

Shivakumar Gomathinayagam

Jayesh Madhusudan Trivedi

## Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object was to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

## Directors' Interests in shares and debentures

According to the register of directors' shareholdings kept by the company for the purpose of Section 164 of the Singapore Companies Act, Chapter 50, none of the directors of the company holding office at the end of the financial year had any interest in shares of the company and its related corporations except as detailed below:

| | No. of ordinary shares | |
|---|---|---|
| | As at 01.04.2016 | As at 31.03.2017 |
| The Holding Company | | |
| The Great Eastern Shipping Company Limited | | |
| Shivakumar Gomathinayagam | 57 | 57 |
| Jayesh Madhusudan Trivedi | 80 | 80 |

None of the directors holding office at the end of the financial year had any interest in the debentures of the company or its related corporations.

## Share Options

There were no share options granted during the financial year to subscribe for unissued shares of the company.
No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the company.
There were no unissued shares of the company under option at the end of the financial year.

## Independent Auditor

The independent auditor, Messrs JBS Practice PAC, Public Accountants and Chartered Accountants, Singapore, has expressed its willingness to accept re-appointment.

On behalf of the board of directors

Jayesh Madhusudan Trivedi
Director

Shivakumar Gomathinayagam
Director

24 April 2017

# Independent Auditor's Report to the Member of the Greatship (Singapore) Pte. Ltd.

## Report on the Audit of the Financial Statements

We have audited the financial statements of THE GREATSHIP (SINGAPORE) PTE. LTD. (the "company") as set out on pages 8 to 33, which comprise the statement of financial position of the company as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

Management is responsible for the other information. The other information comprises the General Information set out on page 1, the Directors' Statement set out on pages 2 to 4, and the accompanying Schedules of Employee Benefits Expenses and Other Operating Expenses.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

JBS PRACTICE PAC

PUBLIC ACCOUNTANTS AND

CHARTERED ACCOUNTANTS

Singapore

24 April 2017

# Statement of Financial Position
## as at 31 March 2017

| | Note | **2017** S$ | **2017** ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 4 | 532,940 | 24,744,404 | 838,047 | 41,307,337 |
| Fixed deposits | 5 | 597,895 | 27,760,265 | 187,382 | 9,236,059 |
| Trade receivables | 6 | 201,836 | 9,371,245 | 90,162 | 4,444,085 |
| Other receivables | 7 | 66,425 | 3,084,113 | 64,448 | 3,176,642 |
| | | **1,399,096** | **64,960,027** | 1,180,039 | 58,164,123 |
| **Non-current asset** | | | | | |
| Plant and equipment | 8 | 2,489 | 115,564 | 3,788 | 186,711 |
| **Total Assets** | | **1,401,585** | **65,075,591** | 1,183,827 | 58,350,833 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade payables | 9 | 133,119 | 6,180,715 | 52,991 | 2,611,926 |
| Other payables | 10 | 40,758 | 1,892,394 | 35,503 | 1,749,943 |
| Income tax payable | | 23,909 | 1,110,095 | 21,647 | 1,066,981 |
| **Total liabilities** | | **197,786** | **9,183,204** | 110,141 | 5,428,850 |
| **NET ASSETS** | | **1,203,799** | **55,892,387** | 1,073,686 | 52,921,983 |
| **SHAREHOLDER'S EQUITY** | | | | | |
| Share capital | 11 | 500,000 | 23,215,000 | 500,000 | 24,645,000 |
| Retained profits | | 703,799 | 32,677,387 | 573,686 | 28,276,983 |
| **Total Equity** | | **1,203,799** | **55,892,387** | 1,073,686 | 52,921,983 |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Statement of Profit or Loss and other Comprehensive Income
## for the financial year ended 31 March 2017

| | Note | 2017 S$ | 2017 ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Agency income | | 232,600 | 10,799,618 | 253,350 | 12,487,622 |
| Disbursement income | | 945,972 | 43,921,480 | 1,116,276 | 55,021,244 |
| Other income | 12 | 62,137 | 2,885,021 | 115,801 | 5,707,831 |
| **Total revenue** | | **1,240,709** | **57,606,119** | **1,485,427** | **73,216,697** |
| **Expenses** | | | | | |
| Disbursement expenses | | 789,079 | 36,636,938 | 952,019 | 46,925,017 |
| Employee benefits expense | 13 | 208,257 | 9,669,373 | 185,928 | 9,164,391 |
| Other operating expenses | 14 | 105,029 | 4,876,496 | 129,657 | 6,390,794 |
| Depreciation | | 1,299 | 60,313 | 108 | 5,323 |
| **Total expenses** | | **1,103,664** | **51,243,120** | **1,267,712** | **62,485,525** |
| **Profit before income tax** | | 137,045 | 6,362,999 | 217,715 | 10,731,172 |
| **Income tax expense** | 15 | (6,932) | (321,853) | (13,791) | (679,758) |
| **Total comprehensive income for the year** | | **130,113** | **6,041,146** | 203,924 | 10,051,414 |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Statement of Changes in Equity
## for the financial year ended 31 March 2017

| 2017 | Share capital | | Retained Profits | | Total | |
|---|---|---|---|---|---|---|
| | S$ | ₹ | S$ | ₹ | S$ | ₹ |
| Balance as at 1 April 2016 | **500,000** | **24,645,000** | 573,686 | 28,276,983 | 1,073,686 | 52,921,983 |
| Foreign translation difference | **-** | **(1,430,000)** | - | (1,640,742) | - | (3,070,742) |
| Total comprehensive income for the year | - | - | 130,113 | 6,041,146 | 130,113 | 6,041,146 |
| **Balance as at 31 March 2017** | **500,000** | **23,215,000** | **703,799** | **32,677,387** | **1,203,799** | **55,892,387** |

| 2016 | | | | | | |
|---|---|---|---|---|---|---|
| Balance as at 1 April 2015 | 500,000 | 22,770,000 | 369,762 | 16,838,962 | 869,762 | 39,608,962 |
| Foreign translation difference | - | 1,875,000 | - | 1,386,607 | - | 3,261,607 |
| Total comprehensive income for the year | - | - | 203,924 | 10,051,414 | 203,924 | 10,051,414 |
| **Balance as at 31 March 2016** | **500,000** | **24,645,000** | **573,686** | **28,276,983** | **1,073,686** | **52,921,983** |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Statement of Cash Flows

## for the financial year ended 31 March 2017

| | Note | 2017 S$ | 2017 ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|---|
| **Cash Flows From Operating Activities** | | | | | |
| Profit before income tax | | 137,045 | 6,362,999 | 217,715 | 10,731,172 |
| **Adjustment for:** | | | | | |
| Interest income | 12 | (5,082) | (235,957) | (2,920) | (143,926) |
| Depreciation | | 1,299 | 60,313 | 108 | 5,323 |
| Unrealised gain/(loss) | | (10,513) | (488,118) | 1,353 | 66,689 |
| **Cash flows before changes in working capital** | | **122,749** | **5,699,237** | **216,256** | **10,659,258** |
| **Changes in working capital, excluding changes relating to cash:** | | | | | |
| Trade receivables | | (111,674) | (5,185,024) | 168,742 | 8,317,293 |
| Other receivables | | 983 | 45,641 | - | - |
| Trade payables | | 80,128 | 3,720,343 | (82,495) | (4,066,179) |
| Other payables | | 5,255 | 243,990 | (4,924) | (242,704) |
| **Cash generated from operations** | | **97,441** | **4,524,187** | **297,579** | **14,667,669** |
| Income paid | | (4,670) | (216,828) | (9,724) | (479,296) |
| Interest received | | 2,122 | 98,524 | 2,623 | 129,288 |
| **Net cash generated from operating activities** | | **94,893** | **4,405,883** | **290,478** | **14,317,661** |
| **Cash Flows From Investing activities** | | | | | |
| Purchase of fixed assets | 8 | - | - | (3,896) | (192,034) |
| Placement of fixed deposits | | (400,000) | (18,572,000) | - | - |
| **Net cash used in investing activities** | | **(400,000)** | **(18,572,000)** | **(3,896)** | **(192,034)** |
| **Net increase in cash and cash equivalents** | | (305,107) | (14,166,117) | 286,582 | 14,125,627 |
| **Foreign translation difference** | | - | (2,396,816) | - | 2,067,994 |
| **Cash and cash equivalents at the beginning of the year** | | 838,047 | 41,307,337 | 551,465 | 25,113,716 |
| **Cash and cash equivalents at the end of the year** | 4 | **532,940** | **24,744,404** | **838,047** | **41,307,337** |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Notes to the Financial Statements

## for the financial year ended 31 March 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. GENERAL INFORMATION

The Greatship (Singapore) Pte. Ltd. (Company Registration No.: 199401313D) is domiciled in Singapore. The company's registered office and principal place of business is at 15 Hoe Chiang Road, #06-03 Tower 15, Singapore 089316.

The principal activities of the company are those relating to shipping agents and brokers.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements of The Greatship (Singapore) Pte. Ltd. for the financial year ended 31 March 2017 were authorised and approved by the board of directors for issuance on 24 April 2017.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("SFRS") as required by the Singapore Companies Act do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to SGD 1 = ₹ 46.43 (2016: SGD1 = ₹ 49.29) and rounded up to the nearest rupee.

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

### b) Currency translation

Items included in the financial statements of the company are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in Singapore dollars, which is the functional currency of the company.

In preparing the financial statements of the company, monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the end of the reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

### c) Plant and equipment

#### (i) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

# Notes to the Financial Statements

**for the financial year ended 31 March 2017**

**Components of costs**

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**(ii) Depreciation**

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | Useful lives |
|---|---|
| Computers | 3 years |

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the profit or loss when the changes arise.

**(iii) Subsequent expenditure**

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the profit or loss when incurred.

**(iv) Disposal**

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the profit or loss.

**d) Financial assets**

**(i) Classification**

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "loans and receivables", "held to maturity investments" and "available-for-sale" financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade receivables", "other receivables", "fixed deposits" and "cash and cash equivalents" on the statement of financial position.

**(ii) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

**(iii) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade- date – the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is transferred to the profit or loss.

**(iv) Initial measurement**

Financial assets are initially recognised at fair value plus transaction costs.

**(v) Subsequent measurement**

Loans and receivables are subsequently carried at amortised cost using the effective interest method, as defined above.

**(vi) Impairment**

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

Loans and Receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the profit or loss.

The allowance for impairment loss account is reduced through the profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

**(vii) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**e) Impairment of non-financial assets**

**Plant and equipment**

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment is also credited to the profit or loss.

**f) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and short-term fixed deposits with maturity period not more than three months.

**g) Trade and other payables**

Trade and other payables are initially measured at fair value, and subsequently carried at amortised cost, using the effective interest method, as defined above.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

**h) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

**i) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the business, net of goods and services tax, rebates and discounts.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the company's activities are met as follows:

(i) Agency income is recognised upon provision of agency services.

(ii) Disbursement income is recognised upon completion of services.

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

(iii) Management service fee is recognised upon completion of the services rendered.

(iv) Interest income arising from fixed deposits is recognised on time apportion basis.

**j) Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognised for all taxable temporary differences.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

**Deferred income tax is measured:**

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss.

**k) Employee benefits**

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

**Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid.

**Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. The employee is not entitled to encash his leave and accordingly no provision is maintained.

**l) Related parties**

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the company if that person:

(a) Has control or joint control over the company;

(b) Has significant influence over the company; or

(c) Is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to the company if any of the following conditions applies:

(a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(c) Both entities are joint ventures of the same third party;

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

(f) The entity is controlled or jointly controlled by a person identified in (i);

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(h) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

**m) Operating lease**

Lease of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are recognised in the profit or loss on a straight line basis over the term of the relevant lease. Contingent rents are recognised as an expense in the profit or loss when incurred.

**n) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

## 3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the critical accounting estimates, assumptions and judgements for preparation of financial statements:

**(a) Critical judgements in applying the entity's accounting policies**

In the process of applying the company's accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

**(b) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(i) Income tax**

Significant judgement is involved in determining the company's provision for income tax. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

the income tax and deferred tax provision in the financial year in which such determination is made. The carrying amounts of the company's current income tax payable are disclosed in the statement of financial position.

**(ii) Impairment of loans and receivables**

Management reviews its loans and receivables for objective evidence of impairment at the end of each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

The carrying amounts of the trade and other receivables are disclosed in Note 6 and 7 to the financial statements.

## 4. CASH AND CASH EQUIVALENTS

| | **2017** | **2017** | 2016 | 2016 |
|---|---|---|---|---|
| | **S$** | **₹** | S$ | ₹ |
| Cash on hand | 55 | 2,553 | 952 | 46,924 |
| Cash at bank | 532,885 | 24,741,851 | 837,095 | 41,260,413 |
| | **532,940** | **24,744,404** | **838,047** | **41,307,337** |

The carrying amounts of cash and cash equivalents approximate their fair values.

The company's cash and cash equivalents are denominated in Singapore dollars.

## 5. FIXED DEPOSITS

Fixed deposits at the end of the reporting period have an average maturity of 1 year (2016: 1 year) from the value date. The fixed deposits earn a weighted average effective interest rate of 1.26% (2016: 1.6%) per annum.

The company's fixed deposits are denominated in the following currencies.

| | **2017** | **2017** | 2016 | 2016 |
|---|---|---|---|---|
| | **S$** | **₹** | S$ | ₹ |
| United States dollars | 197,895 | 9,188,265 | 187,382 | 9,236,059 |
| Singapore dollars | 400,000 | 18,572,000 | - | - |
| | **597,895** | **27,760,265** | **187,382** | **9,236,059** |

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

### 6. TRADE RECEIVABLES

| | **2017 S$** | **2017 ₹** | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Holding company | 199,840 | 9,278,571 | 87,741 | 4,324,754 |
| GST recoverable | 1,996 | 92,674 | 2,421 | 119,331 |
| | **201,836** | **9,371,245** | **90,162** | **4,444,085** |

Trade receivables are non-interest bearing and credit terms are in accordance with the contract or agreements with the parties.

The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

The company's trade receivables are denominated in Singapore dollars.

### 7. OTHER RECEIVABLES

| | **2017 S$** | **2017 ₹** | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Refundable deposits | 62,500 | 2,901,875 | 62,500 | 3,080,625 |
| Other debtor | 3,925 | 182,238 | 1,948 | 96,017 |
| | **66,425** | **3,084,113** | **64,448** | **3,176,642** |

The carrying amounts of other receivables approximate their fair values and are denominated in Singapore dollars.

Refundable deposits include S$60,000 equivalent to ₹ 2,785,800 (2016: S$60,000 equivalent to ₹ 2,957,400) placed as collateral for crew system.

### 8. PLANT AND EQUIPMENT

| **2017** | **Computers** | |
|---|---|---|
| | **S$** | **₹** |
| **Cost** | | |
| At 1 April 2016 | 3,896 | 192,034 |
| Foreign exchange translation | - | (11,143) |
| 31 March 2017 | **3,896** | **180,891** |
| **Accumulated depreciation** | | |
| At 1 April 2016 | 108 | 5,323 |
| Charge for the year | 1,299 | 60,313 |
| Foreign exchange translation | - | (309) |
| At 31 March 2017 | **1,407** | **65,327** |
| **Carrying amount** | | |
| At 31 March 2017 | **2,489** | **115,564** |

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

| 2016 | | |
|---|---|---|
| **Cost** | | |
| At 1 April 2015 | 2,409 | 109,706 |
| Additions | 3,896 | 192,034 |
| Written off | **(2,409)** | **(118,740)** |
| Foreign exchange translation | - | 9,034 |
| At 31 March 2016 | 3,896 | 192,034 |
| **Accumulated depreciation** | | |
| At 1 April 2015 | 2,409 | 109,706 |
| Charge for the year | 108 | 5,323 |
| Written off | (2,409) | (118,740) |
| Foreign exchange translation | - | 9,034 |
| At 31 March 2016 | **108** | **5,323** |
| **Carrying amount** | | |
| At 31 March 2016 | 3,788 | 186,711 |

### 9. TRADE PAYABLES

| | **2017** | **2017** | 2016 | 2016 |
|---|---|---|---|---|
| | **S$** | **₹** | S$ | ₹ |
| Third party | **133,119** | **6,180,715** | **52,991** | **2,611,926** |

Trade payables are recognised at their original invoiced amounts which represent their fair value on initial recognition. The trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

The company's trade payables are denominated in Singapore dollars.

### 10. OTHER PAYABLES

| | **2017** | **2017** | 2016 | 2016 |
|---|---|---|---|---|
| | **S$** | **₹** | S$ | ₹ |
| Accruals for operating expenses | 40,758 | 1,892,394 | 35,503 | 1,749,943 |

The carrying amounts of other payables approximate their fair values and are denominated in Singapore dollars.

# Notes to the Financial Statements
**for the financial year ended 31 March 2017**

## 11. SHARE CAPITAL

| | 2017 | 2016 |
|---|---|---|
| | Number of ordinary shares | |
| **Issued** | | |
| At beginning and end of the financial year | | |
| | **500,000** | **500,000** |

| | 2017 S$ | 2017 ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| **Issued** | | | | |
| At beginning of the financial year | 500,000 | 24,645,000 | 500,000 | 22,770,000 |
| Foreign exchange translation | - | (1,430,000) | - | 1,875,000 |
| At the end of the financial year | **500,000** | **23,215,000** | **500,000** | **24,645,000** |

All issued ordinary shares are fully paid. There is no par value for these shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company's residual assets.

## 12. OTHER INCOME

| | 2017 S$ | 2017 ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Interest income | 5,082 | 235,957 | 2,920 | 143,927 |
| Exchange gain | 8,868 | 411,741 | - | - |
| Discount received | 48,187 | 2,237,323 | 112,881 | 5,563,904 |
| | **62,137** | **2,885,021** | **115,801** | **5,707,831** |

## 13. EMPLOYEE BENEFITS EXPENSE

| | 2017 S$ | 2017 ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Director's fee | 3,500 | 162,505 | 3,500 | 172,515 |
| Staff salaries and bonuses | 178,487 | 8,287,152 | 161,474 | 7,959,053 |
| Staff CPF contributions | 21,258 | 987,009 | 19,392 | 955,832 |
| Staff benefits | 5,012 | 232,707 | 1,562 | 76,991 |
| | **208,257** | **9,669,373** | **185,928** | **9,164,391** |

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

### 14. OTHER OPERATING EXPENSES

| | 2017 S$ | 2017 ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Legal and professional fees | 20,345 | 944,618 | 24,458 | 1,205,535 |
| Office rental – operating lease | 38,740 | 1,798,698 | 38,740 | 1,909,495 |
| Printing and stationery (including operating lease) | 5,693 | 264,326 | 5,197 | 256,160 |
| Upkeep of motor vehicle | 13,426 | 623,369 | 15,029 | 740,779 |
| Others | 26,825 | 1,245,485 | 46,233 | 2,278,825 |
| | **105,029** | **4,876,496** | **129,657** | **6,390,794** |

### 15. INCOME TAX EXPENSE

| | 2017 S$ | 2017 ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Income tax | | | | |
| - Current year provision | 11,272 | 523,359 | 18,000 | 887,220 |
| - Overprovision of prior year taxation | (4,340) | (201,506) | (4,209) | (207,462) |
| | **6,932** | **321,853** | **13,791** | **679,758** |

The current year's income tax expense varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate of 17% (2016: 17%) to the profit before income tax as a result of the following differences:

| | 2017 S$ | 2017 ₹ | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Accounting profit | 137,045 | 6,362,999 | 217,715 | 10,731,172 |
| Income tax expense at applicable rate | 23,298 | 1,081,726 | 37,012 | 1,824,321 |
| Non-allowable items | 2,384 | 110,689 | 2,555 | 125,936 |
| Exempt amount | (13,215) | (613,572) | (12,558) | (618,984) |
| Tax incentive | (3,710) | (172,255) | (8,102) | (399,348) |
| Overprovision of prior year taxation | (4,340) | (201,506) | (4,209) | (207,461) |
| Others | 2,515 | 116,771 | (907) | (44,706) |
| | **6,932** | **321,853** | **13,791** | **679,758** |

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

### 16. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate and ultimate holding company is The Great Eastern Shipping Company Limited, a company incorporated in India.

### 17. RELATED PARTY TRANSACTIONS

**(a) Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the company had transactions with the immediate holding company and related companies on terms agreed between them with respect to the following during the financial year.

| | **2017 S$** | **2017 ₹** | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| **Holding Company** | | | | |
| Agency fees received/receivable | 232,600 | 10,799,618 | 253,350 | 12,487,622 |
| Disbursement income received/receivable | **945,972** | **43,921,480** | **1,116,276** | **55,021,244** |
| Rental paid/payable | **38,740** | **1,798,698** | **38,740** | **1,909,495** |

**(b) Compensation of key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

| | **2017 S$** | **2017 ₹** | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Director's fee | 3,500 | 162,505 | 3,500 | 172,515 |

There are no key management personnel apart from the directors.

### 18. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the commitments in respect of operating lease are as follows:

| | **2017 S$** | **2017 ₹** | 2016 S$ | 2016 ₹ |
|---|---|---|---|---|
| Due within one year | 3,576 | 166,034 | 3,576 | 176,261 |
| Due within two to five years | 8,344 | 387,412 | 11,920 | 587,537 |
| | **11,920** | **553,446** | **15,496** | **763,798** |

The company had operating lease agreements for rental of copier machine.

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

### 19. FINANCIAL RISK MANAGEMENT

**Financial risk factors**

The company's activities expose it to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance.

**a) Market risk**

**i) Foreign currency risk**

The company is exposed to a certain degree of foreign exchange risk arising from its transactions denominated United States dollars. However, the company does not use any hedging instruments to protect against the volatility associated with foreign currency transactions, other assets and liabilities created in the normal course of business:

The company's current exposure to United States dollars based on the information provided to key management is as follows:

| | **2017** | **2017** | 2016 | 2016 |
|---|---|---|---|---|
| | **S$** | **₹** | S$ | ₹ |
| **Financial assets** | | | | |
| Fixed deposits | 197,895 | 9,188,265 | 187,382 | 9,236,059 |
| Currency exposure on financial assets | 197,895 | 9,188,265 | 187,382 | 9,236,059 |

As at 31 March 2017, an estimated 4% (2016: 4%) currency fluctuation in United States dollars against the Singapore dollars, with all other variables including tax rate being held constant, the company's profit for the financial year and equity would have been higher/lower by approximately S$7,900 equivalent to ₹ 366,797 (2016: S$7,500 equivalent to ₹ 369,675) as a result of currency translation gains/losses.

**ii) Interest rate risk**

The company has no significant exposure to market risk for changes in interest rates, except for the fixed deposits as disclosed in Note 5. Hence, no sensitivity analysis has been made as the interest rate is fixed.

**b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major class of financial assets of the company are trade and other receivables, cash and cash equivalents and fixed deposits. The trade receivable balance as at the end of the reporting period is outstanding from the holding company and there is no significant credit risk.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position and the credit risk for trade receivables is geographically spread as follows:

| | **2017** | **2017** | 2016 | 2016 |
|---|---|---|---|---|
| | **S$** | **₹** | S$ | ₹ |
| **By geographical areas** | | | | |
| India | 199,840 | 9,278,571 | 87,741 | 4,324,754 |
| Singapore | 1,996 | 92,674 | 2,421 | 119,331 |
| | **201,836** | **9,371,245** | **90,162** | **4,444,085** |

As per the ageing analysis of the trade receivables of the company as at year end, the above balances are due within 30 days (2016: 30 days).

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

c) **Liquidity risk**

Liquidity risk refers to the risk in which the company may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate effects of fluctuations in cash flows.

**Non-derivative financial liabilities**

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table represents interest and principal cash flows.

| | **2017** | **2017** | 2016 | 2016 |
|---|---|---|---|---|
| | **S$** | **₹** | S$ | ₹ |
| **On demand or within 1 year** | | | | |
| Trade payables | 133,119 | 6,180,715 | 52,991 | 2,611,926 |
| Other payables | 40,758 | 1,892,394 | 35,503 | 1,749,943 |
| | **173,877** | **8,073,109** | **88,494** | **4,361,869** |

d) **Fair value measurement**

The carrying amounts of cash and cash equivalents, trade and other receivables, fixed deposits, trade payables and other payables approximate their fair values due to their short-term nature.

e) **Categories of financial instruments**

The following table sets out the company's financial instruments as at the end of the reporting period:

| | **2017** | **2017** | 2016 | 2016 |
|---|---|---|---|---|
| | **S$** | **₹** | S$ | ₹ |
| **Financial assets** | | | | |
| Loans and receivables: | | | | |
| - Cash and cash equivalents | 532,940 | 24,744,404 | 838,047 | 41,307,336 |
| - Fixed deposits | 597,895 | 27,760,265 | 187,382 | 9,236,059 |
| - Trade receivables | 201,836 | 9,371,245 | 90,162 | 4,444,085 |
| - Other receivables | 66,425 | 3,084,113 | 64,448 | 3,176,642 |
| | **1,399,096** | **64,960,027** | **1,180,039** | **58,164,122** |
| **Financial liabilities** | | | | |
| Amortised costs: | | | | |
| - Trade payables | 133,119 | 6,180,715 | 52,991 | 2,611,926 |
| - Other payables | 40,758 | 1,892,394 | 35,503 | 1,749,943 |
| | **173,877** | **8,073,109** | **88,494** | **4,361,869** |

# Notes to the Financial Statements
## for the financial year ended 31 March 2017

### 20. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The capital structure of the company consists of issued capital and retained profits. The management sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Operating cash flows are used to maintain and expand the company, as well as to make routine outflows of tax and dividend payments.

The company is not subject to externally imposed capital requirements.

### 21. NEW STANDARD EFFECTIVE BUT NOT APPLIED YET

The company has not adopted the following standard and interpretations that have been issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|---|---|
| Amendments to FRS 7: Disclosure Initiative | 1-January-17 |
| Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses | 1-January-17 |
| FRS 115 Revenue from Contracts with Customers | 1-January-18 |
| FRS 109 Financial Instruments | 1-January-18 |
| Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers | 1-January-18 |
| FRS 116 Leases | 1-January-19 |

# THE GREAT EASTERN CHARTERING LLC (FZC)

**A SUBSIDIARY COMPANY**

| | |
|---|---|
| DIRECTORS: | Reginald Sequeira<br>Vijayakumar Suppiah Pillay<br>Michael Brace<br>Narayanan Ranganathan Iyer |
| SENIOR MANAGEMENT: | Narayanan Ranganathan Iyer<br>Manager |
| REGISTERED OFFICE: | Executive Suite Z1-42<br>P.O. Box 9271<br>Sharjah U.A.E. |
| REGISTRATION NUMBER: | 0962 |
| AUDITORS: | Bhel, Lad & Al Sayegh<br>Chartered Accountants<br>P.O. Box 25709<br>Dubai U.A.E. |
| BANKERS: | State Bank of India<br>London,<br>United Kingdom |

# DIRECTORS' REPORT

**Year ended 31 March 2017**

We submit our report and the audited financial statements for the year ended 31 March 2017.

## Review of the Company's activities and performance

The licensed activity of the Company during the year was chartering of ships.

The Company achieved revenue of USD 6.2 million or INR 400.5 million as compared to USD 11.9 million or INR 786.5 million in the previous year and it incurred a gross loss of USD 1.1 million or INR 74 million respectively at 18.5% against a gross profit of USD 1.3 million or INR 86.3 million at 11 % in the previous year. The overhead expenses and impairment loss on investment in a subsidiary respectively amounted to USD 49.5 thousands or INR 3.21 million and USD 48.9 thousands or INR 3.17 million as compared to USD 224 thousands or INR 14.88 million and USD 103 thousands or INR 6.8 million respectively in the previous year.

The Company has incurred a loss of USD 588,007 or INR 38,132,255 for the year before fair value gains of USD 194,874 or INR 12,637,579 on 'available-for-sale' investment and foreign currency translation adjustment of INR 29,444,181 accounted under other comprehensive income.

## Events since the end of the year

There are no significant events since the end of the year.

## Shareholders and their interests

The Shareholders as at 31 March 2017 and their interests in the share capital of the Company as at that date were as follows:

| Name | Number of shares | AED |
|---|---|---|
| M/s. The Great Eastern Shipping Co. Ltd. (India) | 1,499 | 1,49,900 |
| Mr. Vijaykumar Suppiah Pillay | 1 | 100 |
| | 1,500 | 1,50,000 |
| | | USD 40,869 |

## Management responsibilities

The Implementing Regulations of Sharjah Airport International Free Zone Authority issued pursuant to Law No. 2 of 1995 read with the UAE Feberal Law No. (2) of 2015 Concerning Commercial Companies requires the Directors to prepare the financial statements which give a true and fair view of the state of affairs of the Company and of the profit or loss for each financial year. We confirm that we are responsible for these financial statements, which have been prepared in conformity with the statutory requirements and the International Financial Reporting Standards, including selecting the accounting policies and making the judgments underlying them. We further confirm that we have made available all relevant accounting records and information for compilation of these financial statements and that all transactions have been recorded and are reflected in the financial statements.

## Auditors

We propose the reappointment of M/s. Behl, Lad & Al Sayegh - Chartered Accountants as auditors of the Company for the next year.

Director　　　　Director

17 April 2017

# Independent Auditor's Report to the Shareholders of the Great Eastern Chartering LLC (FZC) on the Audit of the Financial Statements

## Opinion

We have audited the accompanying financial statements of **The Great Eastern Chartering LLC (FZC) (the Company)**, **Sharjah Airport International Free Zone (SAIF-Zone), Sharjah, UAE,** which comprises the statement of financial position as at 31 March 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to20.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matter

We have determined that there are no key audit matters to communicate in our report.

## Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and its preparation in compliance with the requirements of Implementing Regulations of Law No. 2 of 1995 issued by Sharjah Airport International Free Zone Authority, read with the provisions of the UAE Federal Law No. (2) of 2015 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management and those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonable be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Report on Other Legal and Regulatory Requirements

As required by the Implementing Regulations of Sharjah Airport Free Zone Authority issued pursuant to Law No. 2 of 1995 read with the UAE Federal Law No (2) of 2015, we further report that:

i) we have obtained all the information and explanations as we considered necessary for the purpose of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Implementing Regulations of Sharjah Airport Free Zone Authority, read with the UAE Federal Law No. (2) of 2015;

iii) proper books of account have been kept by the Company,

iv) the financial information contained in the Directors' report, in so far as it relates to these financial statements is consistent with the books of account of the Company;

v) Note 19 to the financial statements discloses material related party transactions and the terms under which they were transacted; and

vi) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year under audit any of the applicable provisions of the Implementing Regulations of Sharjah Airport Free Zone Authority issued pursuant to Law No. 2 of 1995, read with the UAE Federal Law No. (2) of 2015 on Commercial Companies, which would have had a material effect on the business of the Company or on its financial position as at 31 March 2017.

**Behl, Lad & Al Sayegh**
**Vasant Lad**
**Partner**
**Registration No. 299**

Dubai, United Arab Emirates
17 April 2017

# Statement of Profit or Loss and other comprehensive income

**year ended 31 March 2017**

| | Note | 31 March 2017 USD | 31 March 2017 INR | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|---|
| **Revenue** | 6 | **6,176,158** | **400,523,846** | 11,871,195 | 786,466,669 |
| Direct expenses | 7 | **(7,317,325)** | **(474,528,526)** | (10,569,069) | (700,200,823) |
| **Gross (loss)/profit** | | **(1,141,167)** | **(74,004,680)** | 1,302,126 | 86,265,846 |
| Other income | 8 | **3,327** | **215,756** | 23,569 | 1,561,446 |
| Depreciation | 10 | **(174)** | **(11,284)** | (221) | (14,643) |
| Other expenses | 9 | **(49,330)** | **(3,199,051)** | (224,333) | (14,862,062) |
| Impairment loss on investment in a subsidiary | 11 | **(48,902)** | **(3,171,295)** | (102,680) | (6,802,550) |
| Interest income on bank deposits | | **648,239** | **42,038,299** | 652,170 | 43,206,263 |
| **(Loss)/Profit for the year** | | **(588,007)** | **(38,132,255)** | 1,650,631 | 109,354,300 |
| **Other comprehensive income** | | | | | |
| Fair value gains on investment available for -sale | 12 | **194,874** | **12,637,579** | - | - |
| Foreign currency translation adjustment | 2 (b) | **-** | **(29,444,181)** | - | 72,678,474 |
| **Total comprehensive (loss)/income for the year** | | **(393,133)** | **(54,938,857)** | 1,650,631 | 182,032,774 |

The accompanying notes on pages 8 to 20 form an integral part of these financial statements.

The Independent Auditor's report is set forth on pages 3 & 4.
Approved by the Director and authorized for issue on 17 April 2017.

**For The Great Eastern Chartering LLC (FZC)**

Director

# Statement of Financial Position

**As at 31 March 2017**

| | Note | 31 March 2017 USD | 31 March 2017 INR | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Property and equipment | 10 | **2** | **126** | 176 | 11,658 |
| Investment in a subsidiary | 11 | **503,775** | **32,669,809** | 552,677 | 36,614,851 |
| Investment available-for-sale | 12 | **539,272** | **34,971,789** | - | - |
| Advances paid for investments | 13 | **455,602** | **29,545,790** | - | - |
| Fixed deposits with banks | 14 | **5,000,000** | **324,250,000** | 14,000,000 | 927,500,000 |
| Interest accrued on fixed deposits with banks | 15 | **106,522** | **6,907,952** | 1,885,700 | 124,927,625 |
| | | **6,605,173** | **428,345,466** | 16,438,553 | 1,089,054,134 |
| **Current assets** | | | | | |
| Trade and other receivables | 15 | **2,534,785** | **164,380,807** | 2,289,523 | 151,680,899 |
| Prepayments | | **549,322** | **35,623,532** | 2,268 | 150,255 |
| Fixed deposits with banks | 14 | **12,000,000** | **778,200,000** | 5,000,000 | 331,250,000 |
| Cash and cash equivalents | 16 | **557,111** | **36,128,648** | 597,022 | 39,552,708 |
| | | **15,641,218** | **1,014,332,987** | 7,888,813 | 522,633,862 |
| **Total assets** | | **22,246,391** | **1,442,678,453** | 24,327,366 | 1,611,687,996 |
| **Shareholders' equity** | | | | | |
| Share capital | 17 (a) | **40,869** | **2,650,354** | 40,869 | 2,707,570 |
| Statutory reserve | 17 (b) | **20,435** | **1,325,210** | 20,435 | 1,353,819 |
| Fair value reserve | 12 | **194,874** | **12,637,579** | | |
| Foreign currency translation reserve | 2 (b) | **-** | **554,402,880** | - | 583,847,060 |
| Retained earnings | | **20,443,550** | **771,361,336** | 21,031,557 | 809,493,590 |
| | | **20,699,728** | **1,342,377,358** | 21,092,861 | 1,397,402,039 |
| **Current liabilities** | | | | | |
| Trade and other payables | 18 | **1,546,663** | **100,301,095** | 3,234,505 | 214,285,957 |
| **Total Shareholders' equity and liabilities** | | **22,246,391** | **1,442,678,453** | 24,327,366 | 1,611,687,996 |

The accompanying notes on pages 8 to 20 form an integral part of these financial statements.

The Independent Auditor's report is set forth on pages 3 & 4.
Approved by the Director and authorized for issue on 17 April 2017.
**For The Great Eastern Chartering LLC (FZC)**

Director

# Statement of Changes in Equity

**Year ended 31 March 2017**

| | Share capital | | Statutory reserve | | Fair value reserve {Notes 12 & 17 (b) (ii)} | | Foreign currency translation reserve {Note 2 (b)} | Retained earnings | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | USD | INR | USD | INR | USD | INR | INR | USD | INR | USD | INR |
| As at 31 March 2015 | 40,869 | 2,554,312 | 20,435 | 1,277,188 | - | - | 511,168,586 | 19,380,926 | 700,139,290 | 19,442,230 | 1,215,139,376 |
| Profit for the year | - | - | - | - | - | - | - | 1,650,631 | 109,354,300 | 1,650,631 | 109,354,300 |
| Foreign currency translation adjustment | - | 153,258 | - | 76,631 | - | - | 72,678,474 | - | - | - | 72,908,363 |
| As at 31 March 2016 | 40,869 | 2,707,570 | 20,435 | 1,353,819 | - | - | 583,847,060 | 21,031,557 | 809,493,590 | 21,092,861 | 1,397,402,039 |
| Loss for the year | - | - | - | - | - | - | - | (588,007) | (38,132,255) | (588,007) | (38,132,255) |
| Foreign currency translation adjustment | - | (57,216) | - | (28,609) | - | - | (29,444,181) | - | - | - | (29,530,006) |
| Fair value gains {Notes 3(1) & 12} | - | - | - | - | 194,874 | 12,637,579 | - | - | - | 194,874 | 12,637,579 |
| **As at 31 March 2017** | **40,869** | **2,650,354** | **20,435** | **1,325,210** | **194,874** | **12,637,579** | **554,402,880** | **20,443,550** | **771,361,336** | **20,699,728** | **1,342,377,358** |

The accompanying notes on pages 8 to 20 form an integral part of these financial statements.
The Independent Auditor's report is set forth on pages 3 & 4.

# Statement of Cash Flows
## year ended 31 March 2017

| | Note | 31 March 2017 USD | 31 March 2017 INR | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|---|
| **Cash Flows From Operating Activities** | | | | | |
| (Loss)/Profit for the year | | **(588,007)** | **(38,132,255)** | 1,650,631 | 109,354,300 |
| **Adjustment for:** | | | | | |
| Reversal of provision for doubtful debts | 8 | **(3,327)** | **(215,756)** | (23,569) | (1,561,446) |
| Bad debts written off | 9 | **-** | **-** | 11,128 | 737,230 |
| Depreciation of property and equipment | 10 | **174** | **11,284** | 221 | 14,643 |
| Impairment loss on investment in a subsidiary | 11 | **48,902** | **3,171,295** | 102,680 | 6,802,550 |
| Impairment loss on investment available-for-sale | 9 | **-** | **-** | 1 | 66 |
| Interest income | | **(648,239)** | **(42,038,299)** | (652,170) | (43,206,263) |
| Operating (loss)/profit before changes in operating | | **(1,190,497)** | **(77,203,731)** | 1,088,922 | 72,141,080 |
| Decrease in inventories | | **-** | **-** | 564,834 | 37,420,253 |
| Decrease/(increase) in trade and other receivables | 9 & 15 | **2,037,321** | **132,003,026** | (800,227) | (53,015,040) |
| (increase)/ decrease in prepayments | | **(547,054)** | **(35,476,452)** | 117,732 | 7,799,745 |
| Decrease/Increase in trade and other payables | 18 | **(1,687,842)** | **(109,456,555)** | 1,260,104 | 83,481,890 |
| **Net cash (used in)/from operating activities (A)** | | **(1,388,072)** | **(90,133,712)** | 2,231,365 | 147,827,928 |
| **Cash flows from investing activities** | | | | | |
| Investment made | 12 | **(344,398)** | **(22,334,210)** | (1) | (66) |
| Advances paid for investments | 13 | **(455,602)** | **(29,545,790)** | - | - |
| Decrease/Increase in fixed deposits with banks | 14 | **2,000,000** | **129,817,241** | (1,878,557) | (124,454,400) |
| Interest received | | **148,161** | **9,608,241** | - | - |
| **Net cash from (used in) investing activities (B)** | | **1,348,161** | **87,545,482** | (1,878,558) | (124,454,466) |
| Net effect of foreign exchange translation (C) | | **-** | **(835,830)** | - | 915,808 |
| **Net (Decrease)/increase in cash and cash equivalents (A+B+C)** | | **(39,911)** | **(3,424,060)** | 352,807 | 24,289,270 |
| Cash and cash equivalents at beginning of the year | | **597,022** | **39,552,708** | 244,215 | 15,263,438 |
| **Cash and cash equivalents at end of the year** | 16 | **557,111** | **36,128,648** | 597,022 | 39,552,708 |

The accompanying notes on pages 8 to 20 form an integral part of these financial statements.

The Independent Auditor's report is set forth on pages 3 & 4.

# Notes to the Financial Statements
## year ended 31 March 2017

### 1 LEGAL STATUS AND BUSINESS ACTIVITIES

a) The Great Eastern Chartering LLC (FZC) is a free zone Company with limited liability registered in the Sharjah Airport International Free Zone on 1 November 2004 as per License No. 2622 issued pursuant to Law No. 2 of 1995 of H. H. Sheikh Sultan Bin Mohammed Al Qassimi, Ruler of Sharjah. The address of the registered office of the Company is at Executive Suite Z1-42, P.O. Box 9271, Sharjah, UAE.

b) The Parent company is The Great Eastern Shipping Co. Ltd., India, with its registered office at Ocean House, 134-A, Dr. Annie Besant Road, Mumbai 400018.

c) The licenced activity of the Company is chartering of ships.

d) The Company has invested in a wholly-owned subsidiary, The Great Eastern Chartering (Singapore) PTE. LTD., Singapore which is engaged in the chartering of ships, barges and boats.

e) These are the stand-alone financial statements of the Company. The Company prepares separate consolidated financial statements incorporating the figures of the subsidiary as required by International Financial Reporting Standard 10 - 'Consolidated Financial Statements'.

### 2 BASIS OF PREPARATION

**a) Statement of compliance**

These financial statements are prepared under the historical cost convention, except as modified by revaluation of investment available-for-sale which is stated at fair values at the reporting date as explained in the accounting policies below, and in conformity with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and the requirements of Implementing Regulations of Sharjah Airport International Free Zone Authority read with the requirements of UAE Federal Law No. (2) of 2015.

The following standards and amendments are effective for the first time from the current year, however they do not apply to the Company or do not have any material impact on the Company's financial statements as they merely clarify the existing requirements and do not affect the Company's accounting policies or any other dislcosures.

- IFRSs in Regulatory Deferred Accounts.
- Accounting for Acquisition of Interests in Joint Operations - Amendments to IFRS 11.
- Classification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 & 38.
- Equity method in separate financial statements - Amendments to IAS 27.
- Agriculture: Bearer Plants - Amendments to IAS 16 and IAS 41.
- Annual Improvements to IFRSs 2012-2014 cycle.
- Disclosure Initiative - Amendment to IAS 1.
- Investment entities: Applying the consolidation exception - Amendments to IFRS 10, IFRS 12 & IAS 28.

**b) Presentation currency**

The currency of the primary economic environment in which the Company operates is US Dollars (USD). However, these financial statements have also been expressed in Indian Rupees (INR) principally to meet the statutory filing requirements of the Parent company with the Ministry of Corporate Affairs, Government of India.

The figures have been rounded off to the nearest US Dollars and Indian Rupees.

The figures in USD have been converted into INR at the year-end rate of 1 USD = 64.85 INR for profit and loss items as well as for balances in the statement of financial position (previous year: 1 USD = 66.25 INR for statement of profit or loss items

# Notes to the Financial Statements
## year ended 31 March 2017

as well as for balances in the statement of financial position). The differences arising are accounted through the 'Other comprehensive income' in the 'Foreign currency translation' reserve in the statement of changes in equity.

**c) Going concern basis of accounting**

The Company has a sound financial position. Accordingly, the financial statements have been prepared on a going concern basis on the assumption that the Company will be able to meet its payment obligations as and when they fall due for payment, the financial support of the Shareholder would be available on a continuing basis.

**d) Accrual basis of accounting**

The Company prepares the financial statements, except for cash flows information, using the accrual basis of accounting i.e. all items of assets, liabilities, equity, income and expenses are recognised as they arise.

**e) Use of significant estimates, assumptions and judgements**

In preparing the financial statements, based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. These relate to lives of items of property and equipment and their residual values, investment properties and provision for doubtful trade receivables.

**Impairment of assets**

Financial assets are assessed at each reporting date to determine whether there is any evidence of impairment which is judged by default or delinquency by a debtor, the age of the debts, management experience and assessed creditworthiness of the debtor.

In the case of non-financial assets a review is made to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised in the statement of profit or loss, if the carrying amount of the asset exceeds its recoverable amount.

**f) New and amended standards:**

The Company intends to adopt the following new standards, if applicable when they become effective.

- IFRS 15 - Revenue from contracts with customers and associated amendments to various other standards. This establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 - Revenue, IAS 11 - Construction Contracts and IFRIC 13 - Customer Loyalty Programmes - Effective 1 January 2018.
- IFRS 16 - Leases - Effective date 1 January 2019.
- Recognition of Deferred Tax Assets for Unrealized losses - Amendments to IAS 12 - Effective 1 January 2017.
- Disclosure Initiative - Amendments to IAS 1 - Effective 1 January 2017.
- IFRS 9 Financial Instruments and associated amendments to various other standards - This standard published in July 2014 replaces the existing guidance in IAS 39 - Financial Instruments, Recognition and Measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 - Effective 1 January 2018.

# Notes to the Financial Statements
## year ended 31 March 2017

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted and which have been consistently applied, are as follows:

**a) Revenue and cost recognition**

**- Revenue**

Revenue represents amount invoiced to customers for charter hire services and voyages completed during the year. Expenses/revenues relating to incomplete voyage are carried forward and income/loss is recognized on completion of voyage.

**- Direct costs**

Direct costs of charter hire services and voyage includes charter hire expenses, bunker consumption, freight expenses and other costs which are directly identifiable with the costs of services.

**b) Leases**

Payments made under operating leases are recognised in the statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**c) Finance income**

Interest income is accrued taking into account the effective yield on the asset.

**d) Foreign currency transactions and balances**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirham at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured at historical cost in a foreign currency are not translated. These items that are measured at a fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Gains or losses resulting from settlement of foreign currency transactions and from the translation at the year-end exchange rates of monetary assets and liabilities are recognized in the statement of profit or loss on net basis as either foreign exchange gains or foreign exchange losses and included in other income or other expenses respectively.

**e) Property and equipment**

**Recognition and measurement**

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Gains/losses on disposal are determined by reference to their carrying amount and are included in profit or loss.

An assessment of residual values is undertaken at each end of the reporting period and if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

**Depreciation**

The cost of furniture, fixtures, office equipment and computers less estimated residual value, where material, is depreciated using the straight-line method from the date of acquisition to the estimated useful lives of the assets of three years.

# Notes to the Financial Statements
## year ended 31 March 2017

**Impairment**

At each end of the reporting period, management assesses the property, plant and equipment 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 asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

**f) Investments in subsidiaries**

Subsidiaries are entities controlled by the Parent company. The Parent company controls an entity when it is exposed or has rights to, variable returns from its involvement with the entity; and has the ability to affect its returns through its power over the entity. Investment in subsidiary is shown at cost less impairment loss, if any.

**g) Inventories**

Bunkers on board at the year end are valued at cost or net realizable value, whichever is less. Cost is arrived at using First-in, First-out (FIFO) method and comprise invoice value plus landing charges.

**Estimate for inventory write down and reversals**

Management undertakes on an annual basis a review of the Company's inventory in order to assess the likely realization proceeds, taking into account purchase prices and the physical damage to estimate the write-down is required.

Inventory write-downs or reversals of write-downs if any are included in 'Direct expenses'.

**h) Cash and cash equivalents**

Cash and cash equivalents comprise cash, balances in bank current accounts and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

**i) Payables, provisions and accruals**

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Company.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**j) Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future of cash receipts and payments and for items of income and expenses which are reflected in investing or financial activities. The cash flows from operating, investing and financing activities are segregated based on the nature of items.

**k) Derivative financial instruments**

Future contracts under "SWAP" Agreements for Forward Freight and Bunker Rates in which the Company actively trades are classified as 'held-for-trading'. Changes in fair values of open contracts with reference to quoted market prices resulting into losses are recognised in the statement profit or loss.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

# Notes to the Financial Statements
## year ended 31 March 2017

**l) Non-derivative financial assets and liabilities**

**Available-for-sale financial assets**

Investments in shares which are not classified as held-for-trading are classified as available-for-sale. These are initially recognised at fair value plus any directly attributable transaction costs, subsequently these are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in other comprehensive income and accumulated in the fair value reserve. Upon derecognition of the assets, the gain or loss accumulated in equity is classified to the statement of profit or loss. Investments in unquoted equity shares for which there is no active market and for which fair values cannot be reliably determined due to significant variations in valuation parameters are stated at cost less any write-down for impairment plus reversals of impairment losses. Impairment losses and reversals are recognized in the statement of profit or loss.

**Receivables**

Trade and other receivables are those financial assets that have fixed or determinable payments and for which there is no active market are initially recognised at fair value plus any directly attributable transactions costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. These comprise trade and other receivables, bank balances and cash including fixed deposits with banks.

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. Trade receivables are carried at invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

**Non-derivative financial liabilities**

The non-derivative financial liabilities comprise trade and other payables.

**Derecognition of financial assets and liabilities**

The Company derecognizes a financial asset when its contractual rights to cash flows from the assets cease and any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

**Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 4 RISK MANAGEMENT

The Company's activities expose to a variety of financial risks such as credit, market and liquidity as follows:

**a) Credit risk**

This is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's customers and banks.

The credit risk, where relevant are explained in the notes on the related account balances, namely trade receivables {Note 15 (c)} and cash at bank (Notes 14 & 16).

**b) Market risk**

These are the risks arising from changes in market prices, such as foreign exchange rates, interest rates and equity prices which would affect the Company's income or the value of its holdings of financial instruments. The management strives to manage market risk exposures within acceptable parameters, while optimizing the return.

# Notes to the Financial Statements
## year ended 31 March 2017

- **Currency risk**

  The currency risk, where relevant is explained in the notes on the related account balances, namely trade receivables {Note 15 (d)}.

- **Interest rate risk**

  Fixed deposits with banks are kept at fixed prevailing rates of interest and are therefore exposed to fair value interest rate risks.

c) **Liquidity risk**

This is the risk where the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management monitors its cash requirements to ensure adequacy of funding. If necessary, funds are arranged from the Parent company to ensure that the payment obligations are met on time.

### 5 CAPITAL MANAGEMENT

Capital consists of share capital, statutory reserve, fair value reserve and retained earnings which amounted to USD 20,699,728 or INR 1,342,377,358 as at the end of reporting period. The Company manages its capital with an objective to ensure that healthy capital ratios are maintained and adequate funds are available to it on an on-going basis to operate as a going concern and provide the Shareholders with reasonable rate of return under the prevailing economic conditions and the risks encountered.

### 6. REVENUE

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Freight income | - | - | 2,876,250 | 190,551,563 |
| Charter hire income | 6,179,485 | 400,739,602 | 9,007,996 | 596,779,735 |
| Demurrage loss (net) | (3,327) | (215,756) | (13,051) | (864,629) |
| | **6,176,158** | **400,523,846** | **11,871,195** | **786,466,669** |

### 7. DIRECT EXPENSES

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Charter hire expenses | 7,317,325 | 474,528,526 | 9,498,791 | 629,294,904 |
| Bunker consumed | - | - | 854,130 | 56,586,113 |
| Freight expenses | - | - | 179,946 | 11,921,423 |
| Demurrage expenses | - | - | 150 | 9,938 |
| Other direct expenses | - | - | 36,052 | 2,388,445 |
| | **7,317,325** | **474,528,526** | **10,569,069** | **700,200,823** |

### 8. OTHER INCOME

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Excess provision for doubtful debts written back {Note 14 (e)} | 3,327 | 215,756 | 23,569 | 1,561,446 |

# Notes to the Financial Statements
## year ended 31 March 2016

### 9. OTHER EXPENSES

| | 31 March 2017 USD | 31 March 2017 INR | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Rent | 15,703 | 1,018,340 | 15,696 | 1,039,860 |
| Bad debts written off | - | - | 11,128 | 737,230 |
| Impairment loss on investment available-for-sale (Note 12) | - | - | 1 | 66 |
| Other expenses | 33,627 | 2,180,711 | 197,508 | 13,084,906 |
| | **49,330** | **3,199,051** | **224,333** | **14,862,062** |

### 10. PROPERTY AND EQUIPMENT

| | Furniture, fixtures and office equipment | | Computers | | Total | |
|---|---|---|---|---|---|---|
| | USD | INR | USD | INR | USD | INR |
| **Net book values** | | | | | | |
| **As at 31 March 2017** | | | | | | |
| Cost | 1,123 | 72,827 | 36,719 | 2,381,223 | 37,842 | 2,454,050 |
| Accumulated depreciation | (1,123) | (72,827) | (36,717) | (2,381,097) | (37,840) | (2,453,924) |
| **Net book value** | **-** | **-** | **2** | **126** | **2** | **126** |
| As at 31 March 2016 | | | | | | |
| Cost | 1,123 | 74,399 | 36,719 | 2,432,634 | 37,842 | 2,507,033 |
| Accumulated depreciation | (1,123) | (74,399) | (36,543) | (2,420,976) | (37,666) | (2,495,375) |
| **Net book value** | **-** | **-** | **176** | **11,658** | **176** | **11,658** |
| **Reconciliation of net book values** | | | | | | |
| As at 31 March 2015 | - | - | 397 | 24,812 | 397 | 24,812 |
| Additions during the year | - | - | - | - | - | - |
| Depreciation for the year | - | - | (221) | (14,643) | (221) | (14,643) |
| Foreign currency translation | - | - | - | 1,489 | - | 1,489 |
| As at 31 March 2016 | - | - | 176 | 11,658 | 176 | 11,658 |
| Depreciation for the year | - | - | (174) | (11,284) | (174) | (11,284) |
| Foreign currency translation | - | - | - | (248) | - | (248) |
| **As at 31 March 2017** | - | - | 2 | 126 | 2 | 126 |

# Notes to the Financial Statements

## 11. INVESTMENT IN A SUBSIDIARY
**(Unquoted - at Cost)**
**The Great Eastern Chartering (Singapore) Pte. Ltd.**

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| 100% interest in share capital - At cost (2,000,000 shares of USD 1 each) | 2,000,000 | 36,614,851 | 2,000,000 | 40,959,813 |
| Less: Provision for Impairment loss (refer below) | (1,496,225) | (97,030,191) | (1,447,323) | (95,885,149) |
| Foreign currency translation adjustment | - | 93,085,149 | - | 91,540,187 |
| **Net book value** | **503,775** | **32,669,809** | **552,677** | **36,614,851** |

The subsidiary is loss-making and all the accumulated losses have been provided for, the net book value represents the balance in the equity of the Subsidiary. The movement in provision for impairment loss during the year was as follows:

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Opening balance | 1,447,323 | 95,885,149 | 1,344,643 | 95,885,149 |
| Charge for the year (Page 5) | 48,902 | 3,171,295 | 102,680 | 6,802,550 |
| Foreign currency translation adjustment | - | (2,026,253) | - | (6,802,550) |
| **Closing balance** | **1,496,225** | **97,030,191** | **1,447,323** | **95,885,149** |

## 12. INVESTMENTS AVAILABLE-FOR-SALE

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Investment in shares of Sea Change Maritime LLC, USA | | | | |
| 1,104,000 Units of USD 10.8696 each fully called-up and paid up | 4,000,014 | 259,400,908 | 4,000,014 | 265,000,928 |
| Less: Impairment loss on investment | (4,000,014) | (259,400,908) | (4,000,014) | (265,000,928) |
| **Net book value (A)** | **-** | **-** | **-** | **-** |

The Company has provided fully against the investment on the basis of the 'Net Asset Value' as at end of the reporting period as assessed by the Board of Directors of the investee company. The movement in provision for impairment loss provision during the year was as follows:

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Opening balance | (4,000,014) | (265,000,928) | (4,000,013) | (250,000,813) |
| Charge for the year (Note 9) | - | - | (1) | (66) |
| Foreign currency translation adjustment | **-** | **5,600,020** | **-** | **(15,000,049)** |
| **Closing balance** | **(4,000,014)** | **(259,400,908)** | **(4,000,014)** | **(265,000,928)** |

# Notes to the Financial Statements
## year ended 31 March 2017

Investment made through DNB Luxembourg S.A., USA in shares quoted on USA Stock Exchange

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| At cost | 344,398 | 22,334,210 | - | - |
| Add: Fair value gains (Pages 5 & 7) | 194,874 | 12,637,579 | - | - |
| Total market value (B) | 539,272 | 34,971,789 | - | - |
| **Total (A + B)** | **539,272** | **34,971,789** | - | - |

### 13. ADVANCES PAID FOR INGESTMENTS

These have been paid to DNB Luxembourg S.A., USA for further investments at the US Stock Exchange.

### 14. FIXED DEPOSITS WITH BANKS

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Non-current | 5,000,000 | 324,250,000 | 14,000,000 | 927,500,000 |
| Current | 12,000,000 | 778,200,000 | 5,000,000 | 331,250,000 |
| | **17,000,000** | **1,102,450,000** | 19,000,000 | 1,258,750,000 |

The deposits are kept with branches of reputed Indian banks situated in London, United Kingdom, Hong Kong and UAE.

### 15. TRADE AND OTHER RECEIVABLES

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Trade receivables (Gross) | 374,312 | 24,274,133 | 2,412,059 | 159,798,909 |
| Less: Provision for doubtful debts (e) | (203,907) | (13,223,369) | (207,234) | (13,729,253) |
| Trade receivables (net) | 170,405 | 11,050,764 | 2,204,825 | 146,069,656 |
| Accrued interest on fixed deposits with banks (Gross) | 2,469,522 | 160,148,502 | 1,969,444 | 130,475,665 |
| Deposits | 954 | 61,867 | 954 | 63,203 |
| Other receivables | 426 | 27,626 | - | - |
| Total | **2,641,307** | **171,288,759** | **4,175,223** | **276,608,524** |
| Less: Non-current portion of accrued interest on fixed deposits classified under Non-current assets (Page 5) | (106,522) | (6,907,952) | (1,885,700) | (124,927,625) |
| **Net** | **2,534,785** | **164,380,807** | **2,289,523** | **151,680,899** |

a) Trade receivables include USD 170,045 or INR 11,050,764 (previous year: USD 2,204,825 or INR 146,069,656) due from the Ultimate Holding company (Note 19).

b) There are advances to suppliers of USD 362,593 or INR 23,514,156 (previous year: USD 362,593 or INR 24,021,786), which have been fully provided for (e).

c) **Credit risk**

# Notes to the Financial Statements
## year ended 31 March 2017

i) As per the credit policy of the Company, customers are extended credit period of up to 120 days on the basis of assessment of their creditworthiness judged by their conduct in the past, management's trade experience, their reputation of financial standing, market information and the market in which they operate. The management regularly monitors the outstanding amounts and follows up for recovery.

ii) At the end of the reporting period, the entire trade receivables were due from a customer situated at India (previous year: 2 customers situated at India).

d) **Currency risk**

The Company sells services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US Dollar. At the end of the reporting period, there was no exchange rate risk as all the receivables were denominated in US Dollar or in UAE Dirham which has a fixed parity with the US Dollar.

e) **Impairment**

The age analysis of total trade receivables was as follows:

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Neither past-due nor impaired (0-120 days) | 170,405 | 11,050,764 | 2,204,825 | 146,069,656 |
| Past due (Over one year) - (refer below) | 203,907 | 13,223,369 | 207,234 | 13,729,253 |
| **Total** | **374,312** | **24,274,133** | **2,412,059** | **159,798,909** |

The movements in provision for doubtful debts and advances during the year were as follows:

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Opening balance | 569,827 | 37,751,039 | 593,396 | 37,087,251 |
| Reversal on debts realization (Note 8) | (3,327) | (215,756) | (23,569) | (1,561,446) |
| Foreign currency translation adjustment | - | (797,758) | - | 2,225,234 |
| **Closing balance** | **566,500** | **36,737,525** | **569,827** | **37,751,039** |

The closing balance comprises as follows:

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Provision against trade receivables | 203,907 | 13,223,369 | 207,234 | 13,729,253 |
| Provision against advances to suppliers | 362,593 | 23,514,156 | 362,593 | 24,021,786 |
| **Total** | **566,500** | **36,737,525** | **569,827** | **37,751,039** |

## 16. CASH AND CASH EQUIVALENTS

| | **31 March 2017 USD** | **31 March 2017 INR** | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| Bank balances in current accounts | 557,111 | 36,128,648 | 597,022 | 39,552,708 |

The Company's bank accounts are placed with the reputed banks.

# Notes to the Financial Statements
## year ended 31 March 2017

### 17. CAPITAL AND RESERVE

**a) Share capital**

**Authorised, issued and paid up:**

| | 31 March 2017 USD | 31 March 2017 INR | 31 March 2016 USD | 31 March 2016 INR |
|---|---|---|---|---|
| 1,500 shares of AED 100 each | **40,869** | **2,650,355** | 40,869 | 2,707,571 |

| | Number of shares | Shareholding % | | |
|---|---|---|---|---|
| **The shareholding is as follows:** | | | | |
| M/s. The Great Eastern Shipping Co. Ltd. (India) | 1,499 | 99.93 | 40,842 | 2,648,604 |
| Mr. Vijaykumar Suppiah Pillay | 1 | 0.07 | 27 | 1,751 |
| | **1,500** | **100.00** | **40,869** | **2,650,355** |

**b) Reserves**

**i) Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by the implementing regulations of Sharjah Airport International Free Zone Authority. The Company can discontinue such annual transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law. No such transfer was made during the year as the minimum requirement of the reserve at 50% of the share capital has been reached.

**ii) Fair value reserve**

This comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognized or impaired.

**iii) Foreign currency translation reserve**

This comprises net impact of all foreign currency differences arising from translation of the figures in INR into USD at the conversion rate at the reporting date {Note 2 (b)}.

### 18. TRADE AND OTHER PAYABLES

| | 31 March 2017 USD | 31 March 2017 ₹ | 31 March 2016 USD | 31 March 2016 ₹ |
|---|---|---|---|---|
| Trade payables | 105,671 | 6,852,764 | 82,898 | 5,491,993 |
| Advances from customers (Note 19) | - | - | 451,843 | 29,934,599 |
| Accrued expenses | 1,440,992 | 93,448,331 | 2,699,764 | 178,859,365 |
| | **1,546,663** | **100,301,095** | **3,234,505** | **214,285,957** |

a) Trade payables include an amount of USD 29,598 or INR 1,919,430 due to a related party (Note 19).

b) Accrued expenses includes an amount of USD 112,881 or INR 7,320,333 (previous year: USD 2,157,524 or INR 142,935,965) profit share payables to a third party.

# Notes to the Financial Statements
## year ended 31 March 2017

### 19. RELATED PARTIES

Related parties which fall within the definition of a related party as contained in International Accounting Standard 24 comprise the Parent company, a subsidiary, fellow subsidiaries, Shareholders and the Director.

At the end of the reporting period, balances with related parties were as follows:

| | 31 March 2017 USD | 31 March 2017 ₹ | 31 March 2016 USD | 31 March 2016 ₹ |
|---|---|---|---|---|
| **Parent company** | | | | |
| Included in trade receivables {Note 14 (a)} | 170,405 | 11,050,764 | 2,204,825 | 146,069,656 |
| Included in trade payables {Note 18 (a)} | 29,598 | 1,919,430 | - | - |
| Included in advances received from customer (Note 18) | - | - | **451,843** | **29,934,599** |

The balances are unsecured and are expected to be settled in cash.

Significant transactions with related parties during the year, which the management considers to be in the normal course of business and at terms which correspond with the terms with third parties, were as follows:

| | 31 March 2017 USD | 31 March 2017 ₹ | 31 March 2016 USD | 31 March 2016 ₹ |
|---|---|---|---|---|
| **Parent company** | | | | |
| Charter hire income | **5,818,283** | **377,315,653** | 9,153,105 | 606,393,206 |
| **The Great Eastern shipping Co. London Limited, UK (Fellow subsidiary)** | | | | |
| 736,000 shares of the Sea Change Maritime LLC, USA acquired (Note 12) | - | - | 1 | 66 |

### 20 FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortised cost approximates to their carrying values.

### 21 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Director and authorized for issue on 17 April 2017.

For **The Great Eastern Chartering LLC (FZC)**

Director

# THE GREAT EASTERN CHARTERING (SINGAPORE) PTE. LTD.

**A SUBSIDIARY COMPANY**

| | |
|---|---|
| DIRECTORS: | Alok Amritsagar Mahajan<br>Sambhus Ashish Chandrakant<br>Reginald Cyril Sequeria |
| COMPANY SECRETARY: | Cheng Lian Siang<br>Pathima Muneera Azmi |
| REGISTERED OFFICE: | 15 Hoe Chiang Road<br>#06-03 Tower Fifteen<br>Singapore 089316 |
| AUDITORS: | Stamford Associates LLP |

# Directors' Statement

The directors present their report to the member together with the audited financial statements of the Company for the financial year ended 31st March 2017.

We the directors of THE GREAT EASTERN CHARTERING (SINGAPORE) PTE. LTD. state that:

(a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto as set out on pages 5 to 23 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended;

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and

(c ) management is responsible for the preparation of financial statements that gives a true and fair view in accordance with the provision of the Singapore Companies Act Cap 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The directors' responsibilities include overseeing the Company's financial reporting process.

## Directors

The directors of the Company in office at the date of this report are as follows:

Alok Amritsagar Mahajan

Sambhus Ashish Chandrakant

Reginald Cyril Sequeira

## Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

## Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

| | Holdings registered in name of director or nominee | | Holdings in which director is deemed to have an interest | |
|---|---|---|---|---|
| **Company** | **At 31st March 2017** | At 1st April 2016 or date of appointment if later | **At 31st March 2017** | At 1st April 2016 or date of appointment if later |
| (No. of ordinary shares) | | | | |
| Alok Amritsagar Mahajan | - | - | 732 | 732 |
| Sambhus Ashish Chandrakant | - | - | - | - |
| Reginald Cyril Sequeira | - | - | - | - |

| Holding Company | Holdings registered in name of director or nominee | | Holdings in which director is deemed to have an interest | |
|---|---|---|---|---|
| | **At 31st March 2017** | At 1st April 2016 or date of appointment if later | **At 31st March 2017** | At 1st April 2016 or date of appointment if later |
| The Great Eastern Chartering LLC (FZC) {Immediate} | 2,000,000 | 2,000,000 | - | - |
| The Great Eastern Shipping Company Limited {Ultimate} | - | - | - | - |
| **Directors having interest in above holding companies:** | | | | |
| The Great Eastern Shipping Company Limited {Ultimate} | | | | |
| Alok Amritsagar Mahajan | 732 | 732 | - | - |
| Sambhus Ashish Chandrakant | - | - | - | - |
| Reginald Cyril Sequeira | - | - | - | - |

The immediate holding company of the company is 'The Great Eastern Chartering LLC (FZC)', a company incorporated in United Arab Emirates and the ultimate holding company of the Company is 'The Great Eastern Shipping Company Limited', a company incorporated in the Republic of India.

Except as disclosed in this report, no director who held office at the end of financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

(b) The director's interest in the ordinary shares of the Company as at 21 April 2017 were the same as those as at 31st March 2017.

## Share Options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

## Independent Auditors

The Independent auditor, Stamford Associates LLP, Chartered Accountants of Singapore, have expressed their willingness to accept their appointment.

On behalf of the Board

**Alok Amritsagar Mahajan**
Director

**Sambhus Ashish Chandrakant**
Director

Singapore
Date: 21 APR 2017

# Independent Auditor's Report to the members of The Great Eastern Chartering (Singapore) Pte. Ltd. (Incorporated in Singapore)

## Our Opinion

In our opinion, the accompanying financial statements of THE GREAT EASTERN CHARTERING (SINGAPORE) PTE.LTD. (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company and the financial position of the Company as at 31st March 2017 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

## What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at 31st March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

## Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

## Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code.

## Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The directors' responsibilities include overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

### Restrictions of use

These financial statements were prepared solely for the inclusion with group accounts of the holding company of the Company and may not be suitable for any other use. Therefore, the financial statements and auditors' report should not be used or valid for any other purpose(s).

**Stamford Associates LLP**
Public Accountants and Chartered Accountants of Singapore

Singapore
Dated: 21st April 2017

# Statement of Financial Position
## as at 31 March 2017

| | Note | 2017 US$ | 2017 INR | 2016 US$ | 2016 INR |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 4 | **508,736** | **32,991,530** | 137,922 | 9,137,333 |
| Margin deposit (derivative financial instruments) | 5 | **-** | **-** | 419,477 | 27,790,351 |
| Other current assets | 6 | **1,101** | **71,400** | 1,133 | 75,061 |
| Total assets | | **509,837** | **33,062,930** | 558,532 | 37,002,745 |
| **LIABILITY** | | | | | |
| Current liabilities | | | | | |
| Other payables | 7 | **(6,062)** | **(393,121)** | (5,854) | (387,827) |
| Provision for tax | 12 | **-** | **-** | - | - |
| | | **(6,062)** | **(393,121)** | (5,854) | (387,827) |
| **Non-current liabilities** | | | | | |
| Deferred income tax liabilities | 11 | **-** | **-** | - | - |
| Total liabilities | | **(6,062)** | **(393,121)** | (5,854) | (387,827) |
| **NET ASSETS** | | **503,775** | **32,669,809** | 552,678 | 36,614,918 |
| **EQUITY & RESERVES** | | | | | |
| Share capital | 3 | **2,000,000** | **119,840,000** | 2,000,000 | 119,840,000 |
| Accumulated losses | | **(1,496,225)** | **(97,030,191)** | (1,447,322) | (95,885,082) |
| Currency translation reserve | | **-** | **9,860,000** | - | 12,660,000 |
| **TOTAL EQUITY** | | **503,775** | **32,669,809** | 552,678 | 36,614,918 |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Statement of Comprehensive Income
## for the Financial year ended 31 March 2017

| | Note | **2017 US$** | **2017 INR** | 2016 US$ | 2016 INR |
|---|---|---|---|---|---|
| **Revenue** | 8 | **-** | **-** | - | - |
| Cost of revenue | | **-** | **-** | - | - |
| Gross profit | | **-** | **-** | - | - |
| Other income | | **-** | **-** | - | - |
| | | **-** | **-** | - | - |
| Less: | | | | | |
| - Administrative expenses | | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |
| | | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |
| (Loss) from operations | 9 | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |
| Finance costs | | **-** | **-** | - | - |
| (Loss) before tax | | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |
| Income tax benefit / (expense) | 12 | **-** | **-** | - | - |
| Deferred Tax | 11 | **-** | **-** | - | - |
| (Loss) from continuing operations | | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |
| Profit / (loss) from discontinued operations | | **-** | **-** | - | - |
| Total (Loss) | | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |
| Other comprehensive income: | | | | | |
| Items that may be reclassified subsequently to profit or loss | | **-** | **-** | - | - |
| Items that will not be reclassified subsequently to profit or loss | | **-** | | | |
| Other comprehensive income, net of tax | | **-** | **-** | - | - |
| Total Comprehensive (loss) | | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Statement of Changes in Equity
## for the Financial year ended 31 March 2017

| | Attributable to equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share Capital | | Accumulated losses | | Currency translation reserve | | Total | |
| | US$ | INR | US$ | INR | US$ | INR | US$ | INR |
| Balance as at 31st March 2015 | 2,000,000 | 119,840,000 | (1,344,643) | (84,040,187) | - | 5,160,000 | 655,357 | 40,959,813 |
| Total comprehensive loss for the year | - | - | (102,679) | (6,802,483) | - | - | (102,679) | (6,802,483) |
| Currency translation difference | - | - | - | (5,042,412) | - | 7,500,000 | - | 2,457,588 |
| Balance as at 31st March 2016 | 2,000,000 | 119,840,000 | (1,447,322) | (95,885,082) | - | 12,660,000 | 552,678 | 36,614,918 |
| Total comprehensive loss for the year | - | - | (48,903) | (3,171,360) | - | - | (48,903) | (3,171,360) |
| Currency translation difference | - | - | - | 2,026,251 | - | (2,800,000) | - | (773,749) |
| Balance as at 31st March 2017 | 2,000,000 | 119,840,000 | (1,496,225) | (97,030,191) | - | 9,860,000 | 503,775 | 32,669,809 |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Statement of Cash Flows
## for the Financial year ended 31 March 2017

| | Note | 2017 US$ | 2017 INR | 2016 US$ | 2016 INR |
|---|---|---|---|---|---|
| **Cash Flows from Operating Activities:** | | | | | |
| (Loss) before income tax | | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |
| Add: Non-cash items | | **-** | **-** | - | - |
| | | **(48,903)** | **(3,171,360)** | (102,679) | (6,802,483) |
| **Changes in working capital:** | | | | | |
| Margin deposit for derivative financial instrument | 5 | **419,477** | **27,203,083** | 92,482 | 6,126,932 |
| Prepayment | 6 | **32** | **2,075** | (7) | (464) |
| Other payables | 7 | **208** | **13,489** | (3,132) | (207,495) |
| | | **419,717** | **27,218,647** | 89,343 | 5,918,973 |
| Cash generated from operations | | **370,814** | **24,047,287** | (13,336) | (883,510) |
| Income tax paid | 12 | **-** | **-** | - | - |
| Net cash inflow from operating activities | | **370,814** | **24,047,287** | (13,336) | (883,510) |
| Cash flow from investing activities | | **-** | **-** | - | - |
| | | **370,814** | **24,047,287** | (13,336) | (883,510) |
| **Cash Flows from Financing Activities** | | **-** | **-** | - | - |
| Net increase/(decrease) in cash and cash equivalents | | **370,814** | **24,047,287** | (13,336) | (883,510) |
| Effect of changes in exchange rates | | **-** | **(193,090)** | - | 567,218 |
| Cash & cash equivalents at beginning of financial year | | **137,922** | **9,137,333** | 151,258 | 9,453,625 |
| Cash & cash equivalents at the end of the financial year | 4 | **508,736** | **32,991,530** | 137,922 | 9,137,333 |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. GENERAL INFORMATION

THE GREAT EASTERN CHARTERING (SINGAPORE) PTE. LTD. (the "Company") is a company incorporated and domiciled in Singapore. The registered office and principal place of business is situated at 15 Hoe Chiang Road, #06-03 Tower Fifteen, Singapore 089316.

The principal activities of the Company are shipping related services (owning, chartering, managing & operating of ships) and security dealings and commodity contracts brokerage activities (future trading in freight derivatives). There have been no significant changes in the nature of these activities during the financial year.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The special purpose condensed financial statements are prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to US$1 = Rs 64.85 (2015: USD 1 = Rs. 66.25) and rounded up to the nearest Indian rupee.

Except as disclosed in the preceding paragraph, the financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, which are expressed in United States dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

Interpretations and amendments to published standards effective in 2017

On 1st April 2016, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial periods.

New or amended Standards and Interpretations effective for 2016 calendar year-ends

The following are the new or amended Standards and Interpretations that should be disclosed in the Basis of preparation note if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:

Effective for annual periods beginning on or after 1 January 2016:

1 April 2016 FRS 114 Regulatory Deferral

Amendments to:

- FRS 27 Separate financial statements (Equity method in separate financial statements)
- FRS16 Property plant and equipment and FRS 38 Intangible assets (Clarification of acceptable) methods depreciation and amortisation)
- FRS 16 Property plant and equipment and FRS 41 Agriculture (Agriculture: Bearer plants)
- FRS 111 Joint arrangements (Accounting for acquisitions of interests in joint operations)
- FRS 1 Presentation of financial statements (Disclosure initiative)

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

- FRS 110 Consolidated financial statements
- FRS 112 Disclosure of interests in other entities and
- FRS 28 Investments in associates and joint ventures (Investment entities: Applying the consolidation exception) (Editorial corrections in June 2016)

New or amended Standards and Interpretations effective for 2017 calendar year-ends (continued)

Annual improvements 2014

- FRS 105 Non-current assets held for sale and discontinued operations (Methods of disposal)
- FRS 107 Financial instruments: Disclosures (Servicing contracts and interim financial statements)
- FRS 19 Employee benefits (Determining the discount rates for post-employment benefit obligations)

### 2.2 Revenue recognition

Revenue comprises ship management services fees. Revenue is recognised on a pro-rata basis when the services are rendered, and provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. Revenue is presented, net of rebates and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met.

Revenue from services is recognised when the services are rendered. Where services are provided in stages, revenue is recognised using the percentage of completion method based on the actual service provided as a proportion of the total services to be performed.

### 2.3 Government grants

Grants from the government are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

### 2.4 Financial assets

#### (a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to maturity, re-evaluates this designation at each statement of financial position date.

##### (i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realized within 12 months after the Statement of Financial Position date.

**(ii) Loans and receivables**

Bank balances

Trade and other receivables

Bank balances and trade and other receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the statement of financial position date, which are presented as non-current assets.

**(iii) Held-to-maturity financial assets**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the statement of financial position date which are presented as current assets.

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Changes in fair values are recognised in other comprehensive income and accumulated in the fair value reserve within equity.

These financial assets are recognised on the date which the Company commits to purchase the asset. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the statement of financial position date.

The Company assesses at each statement of financial position date whether there is objective evidence that these financial assets are impaired. Significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the security is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

On disposal, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

**(b) Recognition & Derecognition**

Regular way purchases and sales of financial assets are recognized on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount previously recognized in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognized until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

**(c) Initial measurement**

Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognized at fair value. Transaction costs for financial assets at fair value through profit or loss are recognized immediately as expenses.

**(d) Subsequent measurement**

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to-maturity financial assets are subsequently carried at amortized cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognized in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognized separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analyzed into currency translation differences on the amortized cost of the securities and other changes; the currency translation differences are recognized in profit or loss and the other changes are recognized in other comprehensive income and accumulated in the fair value reserve.

Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognized in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

**(e) Impairment**

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists.

**(i) Loans and receivables/Held-to-maturity financial assets**

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortized cost had no impairment been recognized in prior periods.

**(ii) Available-for-sale financial assets**

In addition to the objective evidence of impairment described in Note 2.4 (e) (i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognized in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortization) and the current fair value, less any impairment loss previously recognized as an expense. The impairment losses recognized as an expense on equity securities are not reversed through profit or loss.

**(f) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**2.5 Financial liabilities**

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in the income and expenditures statement when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharges or cancelled or expired.

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

### 2.6 Financial guarantees

Financial guarantees are initially recognized at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortized to profit or loss over the period of the borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortized amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

### 2.7 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized in the income and expenditure statement if the carrying amount of an asset or its cash generating unit exceeds its revocable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the revocable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

Reversal of impairment loss is recorded in income and expenditure statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### 2.8 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities.

#### (a) Borrowings

Borrowings are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

#### (b) Redeemable preference shares

Preference shares which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognized as finance expenses.

### 2.9 Income taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the Statement of Financial Position date, to recover or settle the carrying amounts of its assets and liabilities

(iii) except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Company accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

### 2.10 Employee Compensation

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

**(a) Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

**(b) Termination benefits**

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

**(c) Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

### 2.11 Currency Translation

#### (a) Functional and presentation currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollars, which is the functional currency of the Company.

#### (b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognized in profit or loss.

However, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations are recognized in other comprehensive income and accumulated in the currency translation reserve. When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal. Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses – net". Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

### 2.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which is probable of resulting in a future outflow of economic benefits that can be measured reliably.

### 2.13 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

### 2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

### 2.15 Trade and other receivables

Trade receivables and other receivables are classified and accounted for as loans and receivables under FRS 39 Financial Instruments: Recognition and Measurement (FRS 39). They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is evidence that the Company will not able to collect all amounts due to according to the original terms of the receivables. The amount of the allowance is recognized in the income and expenditure statement.

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

### 2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

### 2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

## 3. SHARE CAPITAL

| | Issued share capital | | |
|---|---|---|---|
| | **No. of ordinary shares** | **Amount US$** | **Amount INR** |
| **2017** | | | |
| Beginning of the financial year | 2,000,000 | 2,000,000 | 119,840,000 |
| Shares issued during the year | - | - | - |
| End of the financial year | **2,000,000** | **2,000,000** | **119,840,000** |
| **2016** | | | |
| Beginning of the financial year | 2,000,000 | 2,000,000 | 119,840,000 |
| Shares issued during the year | - | - | - |
| End of the financial year | **2,000,000** | **2,000,000** | **119,840,000** |

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and a right to receive dividends as and when declared by the Company. The Company is not exposed to any externally imposed capital requirements and there are no restrictions to issue shares.

The currency exchange rate difference on the historical share capital amount due to the conversion of financial statements in INR as at the date of statement of financial position was INR (2,800,000) {2016: INR 7,500,000) and the same was adjusted against currency translation reserve in the statement of equity.

## 4. CASH AND CASH EQUIVALENTS

| | **2017 US$** | **2017 INR** | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Cash in hand | - | - | - | - |
| Cash at Bank | 508,736 | 32,991,530 | 137,922 | 9,137,333 |
| Cash & cash equivalents per statement of cash flows | **508,736** | **32,991,530** | **137,922** | **9,137,333** |

The cash & cash equivalents approximate its fair value as on the statement of financial position date and are denominated in following currencies: -

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

### 4. CASH AND CASH EQUIVALENTS

| | 2017 US$ | 2017 INR | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Singapore Dollars | 1,072 | 69,520 | 2,036 | 134,885 |
| US Dollars | 507,664 | 32,922,010 | 135,886 | 9,002,448 |
| Cash & cash equivalents per statement of cash flows | **508,736** | **32,991,530** | **137,922** | **9,137,333** |

### 5. MARGIN DEPOSIT (DERIVATIVE FINANCIAL INSTRUMENTS)

| | 2017 US$ | 2017 INR | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Margin Deposit | - | - | 419,477 | 27,790,351 |

The carrying amounts of the margin deposit for derivative financial instruments are denominated in United States dollars. The Margin deposit is held under lien by a financial institution as security to derivative financial instruments. Fair value gains and losses on the margin deposit for derivative financial instruments are recognised in the profit or loss.

### 6. OTHER CURRENT ASSETS

| | 2017 US$ | 2017 INR | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Prepayments | 1,101 | 71,400 | 1,133 | 75,061 |

Other current assets approximate its fair value as on the statement of financial position date and are denominated in Singapore dollars.

### 7. OTHER PAYABLES

| | 2017 US$ | 2017 INR | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Other payables: | | | | |
| -Accruals for operating expenses | 6,062 | 393,121 | 5,854 | 387,827 |

Other payables approximate its fair value as on the statement of financial position date and are denominated in Singapore dollars.

### 8. REVENUE

| | 2017 US$ | 2017 INR | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Service fees | - | - | - | - |

Revenue represents the invoiced value of services rendered and is recognized at the point in time when the services are rendered and invoice is raised. However, during the current financial year, the Company did not generate any revenue.

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

### 9. (LOSS) FROM OPERATIONS

The (loss) from operations is arrived after charging following major expenses:

| | **2017 US$** | **2017 INR** | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Audit fees | 5,134 | 332,940 | 5,355 | 354,769 |
| Bank charges | 1,018 | 66,017 | 1,466 | 97,123 |
| Legal and professional fees | 3,750 | 243,188 | 2,000 | 132,500 |
| Realised Loss on Derivative Trades (net) | 38,939 | 2,525,194 | 93,917 | 6,222,001 |
| Exchange loss / (gain) | 62 | 4,021 | (59) | (3,909) |

### 10. EMPLOYEE COMPENSATION

| | **2017 US$** | **2017 INR** | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Wages and salaries | - | - | - | - |
| Employer's contribution to defined contribution plans | - | - | - | - |
| | **-** | **-** | **-** | **-** |

Directors' remuneration (key management personnel compensation) recognized within staff costs are as follows:

| | **2017 US$** | **2017 INR** | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Salaries & bonus | - | - | - | - |
| Employer's contribution to defined contribution plans | - | - | - | - |
| | **-** | **-** | **-** | **-** |

### 11. DEFERRED TAXATION

There is neither any movement nor any balance in this account as at Statement of Financial Position date.

### 12. TAXATION

Movement of current income tax liabilities are as follows: -

| | **2017 US$** | **2017 INR** | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Current year tax | - | - | - | - |
| Income tax paid | - | - | - | - |
| Balance as at 31st March | **-** | **-** | **-** | **-** |

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

### 13. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

| | **2017 US$** | **2017 INR** | 2016 US$ | 2016 INR |
|---|---|---|---|---|
| Key management personnel compensation | - | - | - | - |

### 14. CONTINGENCIES & COMMITMENTS

**14.1 Contingent liabilities**

Contingent liabilities, of which the probability of settlement is not remote at the statement of financial position date, are none.

**14.2 Capital commitments**

Capital expenditures contracted for at the statement of financial position date but not recognized in the financial statements, are none.

**14.3 Operating lease commitments – where the Company is a lessee**

The future minimum lease payables under non-cancellable operating leases contracted for at the statement of financial position date but not recognized as liabilities, are none.

### 15. Financial risk management

**Financial risk factors**

The Company's activities expose it to market risk (including currency risk, interest rate risk, etc.), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize any adverse effects from the unpredictability of financial markets on the Company's financial performance. The management continuously monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

**15.1 Market risk**

(i) Foreign currency risk

The Company has no significant exposure on foreign currency risk as its transactions are mainly denominated in United States dollar.

(ii) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates as it has no borrowings. Hence, no sensitivity analysis has been made.

**15.2 Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The major classes of financial assets of the company are cash and cash equivalents and margin deposits for derivative financial instruments and hence, there is no significant risk.

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

### 15.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions at a short notice. At the statement of financial position date, assets held by the Company for managing liquidity risk included cash and short-term deposits (Note 4). The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining year from the statement of financial position date to the contractual maturity date (contractual and undiscounted cash flows): -

| **Maturity** | **Other Payables** | | **Total** | |
|---|---|---|---|---|
| | **US$** | **INR** | **US$** | **INR** |
| Below 1 year | 6,062 | 393,121 | 6,062 | 393,121 |
| 2 - 5 years | - | - | - | - |
| | 6,062 | 393,121 | 6,062 | 393,121 |
| Variable / Fixed interest rate | Nil | Nil | | |

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) of the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

### 15.4 Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

| | **2017** | **2017** |
|---|---|---|
| | **US$** | **INR** |
| Net debt | (502,674) | (32,598,409) |
| Total equity | 503,775 | 32,669,809 |
| Total capital | 1,101 | 71,400 |
| Gearing ratio (%) | - | - |

The Borrowers leverage ratio is calculated as total liability of the Company divided by tangible net worth of the Company.

| | **2017** | **2017** |
|---|---|---|
| | **US$** | **INR** |
| Total liability | 6,062 | 5,854 |
| Tangible net worth | 503,775 | 552,678 |
| Leverage ratio | 0.012 times | 0.011 times |

# Notes to the Financial Statements
## for the Financial year ended 31 March 2017

### 16. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have known significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are none.

(a) Estimated impairment of non-financial assets

Property, plant and equipment is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Uncertain tax positions

The Company is subject to income taxes in Singapore jurisdiction. In determining the income tax liabilities, management has estimated the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. The Company has some open tax assessments with the tax authority at the statement of financial position date. As management believes that the tax positions are sustainable, the Company has not recognized any additional tax liability on these uncertain tax positions.

(C) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in. Where there is objective evidence of impairment, management has made judgments as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

### 17. New or revised accounting standards and interpretations

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1st April 2017. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Company in the year of their initial adoption.

### 18. Authorisation of financial statements

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of 'THE GREAT EASTERN CHARTERING (SINGAPORE) Pte Ltd' on 21st April 2017.

# GREAT EASTERN CSR FOUNDATION

**A SUBSIDIARY COMPANY**

| | |
|---|---|
| DIRECTORS: | P. R. Naware |
| | Jayesh M. Trivedi |
| | G. Shivakumar |
| | Anjali Kumar |
| REGISTERED OFFICE: | Plot-134A, Ocean House |
| | Dr. Annie Besant Road |
| | New Worli Police Station |
| | Shivaji Nagar, Worli |
| | Mumbai – 400018 |
| CIN: | U85300MH2015NPL262266 |
| AUDITORS: | Kalyaniwalla & Mistry LLP |
| | Kalpataru Heritage |
| | 127, Mahatma Gandhi Road |
| | Mumbai - 400001 |

# Board's Report

Your Directors are pleased to present the 2nd Annual Report of your Company for the financial year ended March 31, 2017.

## FINANCIAL PERFORMANCE

The financial results of the Company for the financial year ended March 31, 2017 are presented below:

(Rs.)

| | **Current Year** | Previous Period* |
|---|---|---|
| Total Income | **86,926,935** | 138,583,623 |
| Total Expenses | **68,877,625** | 73,976,530 |
| Surplus | **18,049,310** | 64,607,093 |
| Amount Carried Forward To Reserves | **-** | - |

* Recasted as per Ind AS.

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015.

The Company handles the Corporate Social Responsibility activities (CSR activities) of The Great Eastern Shipping Company Limited and Greatship (India) Limited.

During the period, the CSR activities undertaken by the Company grew significantly with the number of NGO partners going up to fifteen. Similarly, the number of families being positively impacted by the Company's education, health and livelihood/skilling initiatives went up to more than 40,000.

## RISKS AND INTERNAL CONTROLS

The Company's Grant Management Policy (which, inter alia, covers the process of grant giving as well as monitoring) controls and mitigates the risks involved in the process of carrying out the CSR activities.

Your Company's internal financial control systems are adequate for the nature of its activities and the size of its operations. The systems ensure the orderly and efficient conduct of its activities, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. They are also tested from time to time through internal and external audits.

## DIRECTORS

Mr. Pradyumna Naware shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Necessary resolution for re-appointment of Mr. Pradyumna Naware has been included in the Notice convening the ensuing Annual General Meeting.

## BOARD MEETINGS

During the year ended March 31, 2017, 5 meetings of the Board were held on April 7, 2016, May 04, 2016, August 02, 2016, December 19, 2016 and February 22, 2017.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134 (3) of the Companies Act, 2013 the Board of Directors hereby state that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements with related parties in Form AOC-2 is annexed hereto as "Annexure A".

All the related party transactions have been entered into by the Company in the ordinary course of business and on arm's length basis.

## EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT- 9 is annexed hereto as "Annexure B".

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's activities in future.

## AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, Kalyaniwalla & Mistry LLP were appointed as the Statutory Auditors of your Company to hold office until the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2021. As per the said provision, the appointment of auditors is required to be ratified at every Annual General Meeting.

Necessary resolution for ratification of their appointment has been included in the Notice convening the ensuing Annual General Meeting.

## OTHER DISCLOSURES

There were no loans, guarantees or investments made under section 186 of the Companies Act, 2013 during the year ended March 31, 2017. There were no foreign exchange earnings and outgo during the year ended March 31, 2017. The Company had no Subsidiary / Associates / Joint Ventures as on March 31, 2017. The Company had no employees as on March 31, 2017.

Considering the nature of activities of the Company, there are no details to be reported regarding conservation of energy and technology absorption.

For and on behalf of the Board of Directors

| | |
|---|---|
| G. Shivakumar<br>Director | Jayesh M. Trivedi<br>Director |

Mumbai, May 04, 2017

# Annexure 'A' to the Board's Report

## PARTICULARS OF CONTRACTS WITH RELATED PARTIES - FORM NO. AOC 2

[Pursuant to Clause (h) of sub section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in Subsection 1 of Section 188 of the Companies Act, 2013.**

**Details of contracts/arrangements or transactions not at arm's length basis:**

The details of the contract / arrangement or transaction entered into during the year ended March 31, 2017, which was not at arm's length basis is as follows:

| Name of Related Party | Nature of Relationship | Nature of Contract / arrangement / transaction | Duration of Contract / arrangement / transaction | Salient terms of contract / arrangement / transaction | Date of Board Approval | Amount (₹) |
|---|---|---|---|---|---|---|
| | | | NIL | | | |

**Details of material contracts/arrangements:**

The details of contracts/arrangements or transactions at arm's length basis and in the ordinary course of business of the Company for the year ended March 31, 2017 are as follows:

| Name of Related Party | Nature of Relationship | Nature of Contract / arrangement / transaction | Duration of Contract / arrangement / transaction | Salient terms of contract / arrangement / transaction | Date of Board Approval | Amount (₹ in Crore) |
|---|---|---|---|---|---|---|
| The Great Eastern Shipping Co. Ltd. | Holding Company | Donations received | - | Donation received pursuant to Section 135 of the Companies Act, 2013 | - | 5.84 |
| Greatship (India) Limited | Fellow Subsidiary | Donations received | - | Donation received pursuant to Section 135 of the Companies Act, 2013 | - | 2.44 |

For and on behalf of the Board of Directors

G. Shivakumar<br>Director

Jayesh M. Trivedi<br>Director

Mumbai, May 04, 2017

# Annexure 'B' to the Board's Report

**EXTRACT OF ANNUAL RETURN - FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

## I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| i. | CIN | U85300MH2015NPL262266 |
| ii. | Registration Date | 26/02/2015 |
| iii. | Name of the Company | Great Eastern CSR Foundation |
| iv. | Category/Sub-Category of the Company | A not for profit Company, within the meaning of Section 8 of the Companies Act, 2013. |
| v. | Address of the Registered office and contact details | Plot-134A, Ocean House, Dr. Annie Besant Road, New Worli Police Station, Shivaji Nagar, Worli, Mumbai - 400018<br>Tel : 022-66613000 / 24922100<br>Fax : 022-24925900 |
| vi. | Whether listed Company | No |
| vii | Registrar and Transfer Agent | None |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/Service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Corporate Social Responsibility activities as defined in Companies Act, 2013 | 88900 | 95.27% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name of the Company | Address | CIN / GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|---|
| 1. | The Great Eastern Shipping Co. Ltd. | Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai - 400 018 | L35110MH1948PLC006472 | Holding Company | 100% | 2(46) |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

### i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change During the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a. Individual/ HUF | - | 5 | 5 | 0.01 | - | 5 | 5 | 0.01 | - |
| b. Central Govt. | | | | | | | | | |
| c. State Govt. | | | | | | | | | |
| d. Bodies Corp. | - | 49995 | 49995 | 99.99 | - | 49995 | 49995 | 99.99 | - |
| e. Banks/FI | | | | | | | | | |
| f. Any other | | | | | | | | | |
| **Sub- Total (A) (1)** | - | 50000 | 50000 | 100 | - | 50000 | 50000 | 100 | - |
| **(2) Foreign** | | | | | | | | | |
| a. NRIs-Individuals | | | | | | | | | |
| b. Other Individuals | | | | | | | | | |
| c. Bodies Corp | | | | | | | | | |
| d. Banks/FI | | | | | | | | | |
| e. Any Other | | | | | | | | | |
| **Sub Total (A) (2)** | | | | | | | | | |
| **Total Shareholding of Promoter (A) = (A)(1) + (A) (2)** | **-** | **50000** | **50000** | **100** | **-** | **50000** | **50000** | **100** | **-** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a. Mutual Funds | | | | | | | | | |
| b. Banks/FI | | | | | | | | | |
| c. Central Govt. | | | | | | | | | |
| d. State Govts. | | | | | | | | | |
| e. Venture Capital Funds | | | | | | | | | |
| f. Insurance Companies | | | | | | | | | |
| g. FIIs | | | | | | | | | |
| h. Foreign Venture Capital Funds | | | | | | | | | |
| i. Others | | | | | | | | | |
| **Sub-total (B) (1)** | - | - | - | - | - | - | - | - | - |
| **2. Non-Institutions** | | | | | | | | | |
| **a. Bodies Corp** | | | | | | | | | |
| i Indian | | | | | | | | | |
| ii Overseas | | | | | | | | | |
| **b. Individuals** | | | | | | | | | |
| i Individual shareholders holding nominal share capital upto ₹ 1 lakh | | | | | | | | | |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | | | | | | | | | |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change During the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| c. Others (Specify) | | | | | | | | | |
| Sub-Total (B)(2) | | | | | | | | | |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | - | - | - | - | - | - | - | - - |
| C. Shares held by the Custodian for GDRs and ADRs | | | | | | | | | |
| Grand Total (A+B+C) | - | 50000 | 50000 | 100 | - | 50000 | 50000 | 100 | - |

ii. **Shareholding of Promoters**

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | % of shares Pledged/ encumbered to total shares | No. of Shares | % of total shares of the Company | % of shares Pledged/ encumbered to total shares | |
| 1 | The Great Eastern Shipping Company Limited | 49,994 | 99.98 | - | 49,994 | 99.98 | - | - |
| 2 | Greatship (India) Limited | 1 | 0.002 | - | 1 | 0.002 | - | - |
| 3 | Bharat K. Sheth | 1 | 0.002 | - | 1 | 0.002 | - | - |
| 4 | Ravi K. Sheth | 1 | 0.002 | - | 1 | 0.002 | - | - |
| 5 | P. R. Naware | 1 | 0.002 | - | 1 | 0.002 | - | - |
| 6 | Tapas Icot | 1 | 0.002 | - | 1 | 0.002 | - | - |
| 7 | G. Shivakumar | 1 | 0.002 | - | 1 | 0.002 | - | - |
| | **TOTAL** | **50000** | **100** | **-** | **50000** | **100** | **-** | **-** |

iii. **Details of changes in promoters' shareholding**

| Sr. No. | Name | Shareholding at the beginning of the year | | Date | Increase/ Decrease (No. of shares) | Reasons | Cumulative Shareholding during the year and at the end of the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | NIL | | | | |

**iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

| Sr. No. | Name | Shareholding at the beginning of the year | | Date | Increase/ Decrease (No. of shares) | Reasons | Cumulative Shareholding during the year and at the end of the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| N.A. | | | | | | | | |

**v. Shareholding of Directors and Key Managerial Personnel:**

| Sr. No. | Name | Shareholding at the beginning of the year | | Date | Increase/ Decrease (No. of shares) | Reasons | Cumulative Shareholding during the year and at the end of the year | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | P. R. Naware | 1 | 0.002 | - | - | - | 1 | 0.002 |
| 2 | G. Shivakumar | 1 | 0.002 | - | - | - | 1 | 0.002 |

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

| | Secured Loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the Financial year** | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Exchange Diff Adj | | | | |
| **Total (i+ii+iii)** | | | | |
| **Change in Indebtedness during the Financial year** | | | | |
| • Addition | | NIL | | |
| • Reduction | | | | |
| **Net Change** | | | | |
| **Indebtedness at the end of the Financial year** | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | | | | |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name | Total Amount |
|---|---|---|---|
| 1 | **Gross Salary** | | |
| | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | | |
| | b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | | |
| | c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961 | NA | |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission | | |
| | • As % of profit | | |
| | • Others, specify | | |
| 5 | Other benefits | | |
| | **Total (A)** | | |
| | **Ceiling as per the Act** | | |

### B. Remuneration to other Directors (non-executive & independent directors)

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | P. R. Naware | G. Shivakumar | Jayesh M. Trivedi | Anjali Kumar | Total Amount |
|---|---|---|---|---|---|---|
| 1 | **Independent Directors** | | | | | |
| | Fees for attending Board and Committee Meetings | | | | | |
| | Commission | | | | | |
| | Others please specify | | | | | |
| | **Total (1)** | | | | | |
| 2 | **Other Non-Executive Directors** | | | | | |
| | Fees for attending Board and Committee Meetings | | | NIL | | |
| | Commission | | | | | |
| | Others | | | | | |
| | **Total (2)** | | | | | |
| | **Total (B) =(1+2)** | | | | | |
| | **Total Managerial Remuneration (A+B)** | | | | | |
| | **Overall Ceiling as per the Act** | | | | | |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel |
|---|---|---|
| 1 | Gross Salary | |
| | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | |
| | b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | |
| | c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961 | |
| 2 | Stock Option | |
| 3 | Sweat Equity | |
| 4 | Commission | N.A |
| | As % of profit | |
| | Others, specify | |
| 5 | Other benefits | |
| | **Total** | |

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

| Type | Section of the Companies Act | Brief Description | Details of penalty/ punishment/ compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **Company / Directors / Other officers in Default** | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

For and on behalf of the Board of Directors

G. Shivakumar
Director

Jayesh M. Trivedi
Director

Mumbai, May 04, 2017

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF**

**GREAT EASTERN CSR FOUNDATION**

## Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of GREAT EASTERN CSR FOUNDATION ("the Foundation"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Income and Expenditure (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the Ind AS Financial Statements").

## Management's Responsibility for the Ind AS Financial Statements

The Foundation's Board of Directors is responsible for the matters stated in Section 134(5)of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Foundation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Foundation 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section143(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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Foundation's preparation of the Ind AS 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 Foundation's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, including the Ind AS, of the financial position of the Foundation as at March 31, 2017 and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters as required by the Companies (Auditor's Report) Order, 2015, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Foundation.

2. As required by Section143(3) of the Act, we 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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Foundation so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Income and Expenditure (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

   e) On the basis of the written representations received from the Directors of the Foundation as on March 31, 2017 and taken on record by the Board of Directors, none of the Directors of the Foundation is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Foundation and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".**

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Foundation does not have any pending litigations which would impact its financial position.

      ii) The Foundation did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Foundation.

      iv) The Foundation has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from November 8, 2016 to December 30, 2016. The total amount of 'Closing cash in hand as on November 8, 2016', 'Amounts exchanged with Banks' and 'Closing cash in hand as on December 30, 2016' are in accordance with the books of accounts maintained by the Foundation. However, the Foundation does not have any documentation evidencing the exchange of SBNs at a bank. Refer Note No. 4 to the Ind AS Financial Statements.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No.: 104607W / W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May 4, 2017.

# Annexure A to the Independent Auditor's Report

Referred to in Paragraph 2(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Foundation on the Ind AS Financial Statements for the year ended March 31, 2017.

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

We have audited the internal financial controls over financial reporting of GREAT EASTERN CSR FOUNDATION ("the Foundation") as of March 31, 2017, in conjunction with our audit of the Ind AS Financial Statements of the Foundation for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Foundation's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Foundation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Foundation'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(the "Act" or the "Companies Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the Foundation's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with 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 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.

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 Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Foundation'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 Ind AS 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 Ind AS Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS 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 Foundation 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Foundation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No.: 104607W / W100166

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: May 4, 2017.

# BALANCE SHEET AS AT MARCH 31, 2017

(Amount in ₹)

| Particulars | Note No. | Current Year | Previous Period |
|---|---|---|---|
| **ASSETS :** | | | |
| **I. Non-Current Assets** | | | |
| (a) Property Plant and Equipment | 3 | 36,440 | 67,960 |
| **II. Current Assets :** | | | |
| (a) Financial Assets | | | |
| i) Cash and Cash Equivalents | 4 | 43,140,028 | 35,273,787 |
| ii) Bank Balances (other than i above) | 5 | 39,622,109 | 29,477,002 |
| (b) Current Tax Assets (net) | 6 | 361,339 | 343,588 |
| (c) Other Current Assets | 7 | 88,737 | 25,000 |
| **Total** | | **83,248,653** | **65,187,337** |
| **EQUITY AND LIABILITIES :** | | | |
| **I. Equity** | | | |
| (a) Equity Share Capital | 8 | 500,000 | 500,000 |
| (b) Other Equity | 9 | 82,656,403 | 64,607,093 |
| | | 83,156,403 | 65,107,093 |
| **II. Liabilities** | | | |
| **(A) Current Liabilities :** | | | |
| (a) Other Current Liabilities | 10 | 92,250 | 28,625 |
| (b) Provisions | 11 | - | 51,619 |
| | | 92,250 | 80,244 |
| **TOTAL** | | **83,248,653** | 65,187,337 |

As per our Report attached hereto

For **KALYANIWALLA & MISTRY LLP**
**CHARTERED ACCOUNTANTS**
Firm Regn. No.: 104607W / W100166

**Daraius Z. Fraser**
PARTNER
M. No. : 42454

Place : Mumbai
Date : May 4, 2017

For and on behalf of the Board

**P. R. Naware**
Director
(DIN : 00041519)

**G. Shivakumar**
Director
(DIN : 03632124)

**Jayesh M. Trivedi**
Director
(DIN : 02299280)

**Anjali Kumar**
Director
(DIN : 07176672)

# STATEMENT OF INCOME AND EXPENDITURE
## FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

| | Particulars | Note No. | Current Year | Previous Period |
|---|---|---|---|---|
| **Income** | | | | |
| I. | Revenue | 12 | 82,812,803 | 135,147,733 |
| II. | Other Income | 13 | 4,114,132 | 3,435,890 |
| III. | **Total Revenue (I + II)** | | **86,926,935** | **138,583,623** |
| IV. | **Expenses :** | | | |
| | Employee Benefit Expenses | 14 | - | 2,433,648 |
| | Contributions and Grants | | 68,667,522 | 70,864,629 |
| | Depreciation and Ammortisation | | 31,520 | 26,856 |
| | Other Expenses | 15 | 178,583 | 651,397 |
| | Total Expenses | | **68,877,625** | **73,976,530** |
| V. | **Surplus for the Year (III-IV)** | | **18,049,310** | **64,607,093** |
| VI. | **Other Comprehensive Income** | | - | - |
| VII. | **Total Comprehensive Income (V + VI)** | | **18,049,310** | **64,607,093** |

As per our Report attached hereto

For **KALYANIWALLA & MISTRY LLP**
**CHARTERED ACCOUNTANTS**
Firm Regn. No.: 104607W / W100166

**Daraius Z. Fraser**
PARTNER
M. No. : 42454

Place : Mumbai
Date : May 4, 2017

For and on behalf of the Board

**P. R. Naware**
Director
(DIN : 00041519)

**G. Shivakumar**
Director
(DIN : 03632124)

**Jayesh M. Trivedi**
Director
(DIN : 02299280)

**Anjali Kumar**
Director
(DIN : 07176672)

# STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED MARCH 31, 2017

**I. Equity share capital**

(Amount in ₹)

| | Changes in equity share capital during the year | Balance at March 31, 2016 |
|---|---|---|
| Capital introduced on incorporation | 500,000 | **500,000** |

(Amount in ₹)

| Balance at April 1, 2016 | Changes in equity share capital during the year | Balance at March 31, 2017 |
|---|---|---|
| **500,000** | - | **500,000** |

**II. Other equity**

(Amount in ₹)

| | Reserves and surplus |
|---|---|
| | **Retained earnings** |
| Surplus for the first financial year | 64,607,093 |
| Other comprehensive income for the financial year, net of income tax | - |
| **Total comprehensive income for the financial year** | 64,607,093 |
| **Balance at March 31, 2016** | **64,607,093** |
| Surplus for the year | 18,049,310 |
| Other comprehensive income for the year, net of income tax | - |
| **Total comprehensive income for the year** | **18,049,310** |
| **Balance at March 31, 2017** | **82,656,403** |

As per our Report attached hereto

For **KALYANIWALLA & MISTRY LLP**
**CHARTERED ACCOUNTANTS**
Firm Regn. No.: 104607W / W100166

**Daraius Z. Fraser**
PARTNER
M. No. : 42454

Place : Mumbai
Date : May 4, 2017

For and on behalf of the Board

**P. R. Naware**
Director
(DIN : 00041519)

**G. Shivakumar**
Director
(DIN : 03632124)

**Jayesh M. Trivedi**
Director
(DIN : 02299280)

**Anjali Kumar**
Director
(DIN : 07176672)

# CASH FLOW STATEMENT
## FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

| Particulars | Current Year | Previous Period |
|---|---|---|
| **A. Cash Flow From Operating Activities** | | |
| Net Surplus for the Year/Period | 18,049,310 | 64,607,093 |
| Adjustments For: | | |
| Interest Earned | (4,062,513) | (3,435,890) |
| Depreciation | 31,520 | 26,856 |
| | **14,018,317** | 61,198,059 |
| Adjustments For : | | |
| (Increase)/Decrease Other Current Assets | (63,737) | (25,000) |
| Increase/(Decrease) Other Current Liabilities | 12,006 | 80,244 |
| Cash Generated from Operations | (51,731) | 55,244 |
| **Adjustments For :** | | |
| Direct Taxes Paid | (17,751) | (343,588) |
| **Net Cash From Operating Activities** | **13,948,835** | 60,909,715 |
| **B. Cash Flow From Investing Activities** | | |
| Purchase of Fixed Assets | - | (94,816) |
| Placement of Term Deposits | (68,164,406) | (28,500,000) |
| Redemption of Term Deposits | 58,126,179 | - |
| Interest Received | 3,955,633 | 2,458,888 |
| **Net Cash From / (Used in) Investing Activities** | (6,082,594) | (26,135,928) |
| **C. Cash Flow From Financing Activities** | | |
| Proceeds from issue of equity shares | - | 500,000 |
| **Net Cash From / (Used in) Financing Activities** | - | 500,000 |
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | **7,866,241** | 35,273,787 |
| **Cash and Cash Equivalents as at the Beginning** | 35,273,787 | - |
| **Cash and Cash Equivalents as at the End** | **43,140,028** | 35,273,787 |

As per our Report attached hereto

For **KALYANIWALLA & MISTRY LLP**
**CHARTERED ACCOUNTANTS**
Firm Regn. No.: 104607W / W100166

**Daraius Z. Fraser**
PARTNER
M. No. : 42454

Place : Mumbai
Date : May 4, 2017

For and on behalf of the Board

**P. R. Naware**
Director
(DIN : 00041519)

**G. Shivakumar**
Director
(DIN : 03632124)

**Jayesh M. Trivedi**
Director
(DIN : 02299280)

**Anjali Kumar**
Director
(DIN : 07176672)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2017

### Note 1 : Corporate Information

Great Eastern CSR Foundation (the Company / the Foundation), a subsidiary of The Great Eastern Shipping Company Limited was incorporated on February 26, 2015, as a Section 8 Company to implement CSR activities. CSR efforts will be focused in the areas of :

1) Promoting education and knowledge enhancement, including but not limited to :
   - Establishment and management of educational and knowledge enhancement infrastructure.
   - Provision of financial or other assistance to the needy and/or deserving students.
   - Providing financial assistance to any agency involved in education, knowledge enhancement and sports.
   - Contribution to technology incubators located within academic institutions which are approved by the Central Government.
2) Eradicating hunger, poverty and malnutrition.
3) Promoting health care and sanitation

### Note 2 : Significant Accounting Policies

**(a) Basis of Preparation :**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with the relevant Rules framed thereunder.

The Foundation prepared its financial statements upto the financial year ended March 31, 2016 in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Foundation's first Ind AS financial statements. The date of transition to Ind AS is February 26, 2015 being the date of incorporation. The financial statements for the financial year ended March 31, 2016 has been restated in accordance with Ind AS for comparative information. There are no adjustments for the effect of the transition from previous GAAP to Ind AS.

The financial statements have been prepared under the historical cost convention, on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as Current and Non-Current as per the Foundation's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of services rendered and the time between the rendering of the services and their realisation in cash and cash equivalent, the Foundation has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities.

**(b) Use of Estimates :**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual result could differ from the estimates.

**(c) Revenue Recognition :**

**Grants :** Grants are accounted as Income as and when the same are received.

**Interest :** Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**(d) Contribution and Grants Given :**

The Contribution and Grants given are charged to Income and Expenditure as and when the obligation to pay the same arises.

**(e) Taxation :**

There is no provision for income tax recorded in the books of accounts, in view of the fact that the Foundation has been registered as a charitable trust under Section 12AA of the Income-tax Act, 1961.

**(f) Provisions :**

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2017

### Note 3 : Property, Plant and Equipment

(Amount in ₹)

| Particulars | Cost | | | Depreciation | | | Net Block | |
|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2016 | Additions during the year | As at March 31, 2017 | Upto March 31, 2016 | For the Year | Upto March 31, 2017 | As at March 31, 2017 | As at March 31, 2016 |
| **Tangible Assets :** | | | | | | | | |
| Computers | 94,816 | - | 94,816 | 26,856 | 31,520 | 58,376 | 36,440 | 67,960 |
| **TOTAL** | **94,816** | **-** | **94,816** | **26,856** | **31,520** | **58,376** | **36,440** | **67,960** |

| Particulars | Cost | | Depreciation | | Net Block |
|---|---|---|---|---|---|
| | Additions during the Period | As at March 31, 2016 | For the period | Upto March 31, 2016 | As at March 31, 2016 |
| **Tangible Assets :** | | | | | |
| Computers | 94,816 | 94,816 | 26,856 | 26,856 | 67,960 |
| **TOTAL** | **94,816** | **94,816** | **26,856** | **26,856** | **67,960** |

(Amount in ₹)

| Note No. | Particulars | Current Year | Previous Period |
|---|---|---|---|
| 4 | **Cash and Cash Equivalents** | | |
| | i) Balances with Banks : | | |
| | a) On Current Account | 5,837,821 | 657,419 |
| | b) Deposits having original maturity of less than 3 months | 37,300,000 | 34,615,053 |
| | ii) Cash on hand | 2,207 | 1,315 |
| | **Total** | **43,140,028** | **35,273,787** |

Specified bank notes disclosure (SBNs) :

In accordance with the MCA notification G.S.R. 308 (E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

| Particulars | SBNs | ODNs |
|---|---|---|
| Closing cash on hand as on November 8, 2016 | 2,000 | 807 |
| Add : Permitted receipts | - | - |
| Less : Permitted Payments | - | - |
| Less : Amounts deposited in Banks | - | - |
| Less : Amounts exchanged with Banks | (2,000) | 2,000 |
| **Closing cash on hand as on December 30, 2016** | **-** | **2,807** |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

| Note No. | Particulars | Current Year | Previous Period |
|---|---|---|---|
| 5 | **Bank Balances other than above** | | |
| | Deposits having residual maturity period upto 12 months | 38,538,227 | 28,500,000 |
| | Interest receivable on Fixed Deposits | 1,083,882 | 977,002 |
| | **Total** | **39,622,109** | **29,477,002** |
| 6 | **Current Tax Assets (net)** | | |
| | Tax Deducted at source | 361,339 | 343,588 |
| | **Total** | **361,339** | **343,588** |
| 7 | **Other Current Assets** | | |
| | Advances Given / Sundry Balances Receivable | 88,737 | 25,000 |
| | **Total** | **88,737** | **25,000** |

(Amount in ₹)

| Note No. | Particulars | Current Year | | Previous Period | |
|---|---|---|---|---|---|
| | | Number | Rupees | Number | Rupees |
| 8 | **Share Capital** | | | | |
| | **Authorised** | | | | |
| | Equity Shares of par value of ₹ 10 each | 50,000 | 500,000 | 50,000 | 500,000 |
| | | **50,000** | **500,000** | **50,000** | **500,000** |
| | **Issued, Subscribed and Paid up** | | | | |
| | Equity Shares of par value of ₹ 10 each | 50,000 | 500,000 | 50,000 | 500,000 |
| | **Total** | **50,000** | **500,000** | **50,000** | **500,000** |

**Notes:**

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2017

(a) Share capital movement :

(Amount in ₹)

| Particulars | Current Year | | Previous Period | |
|---|---|---|---|---|
| | Number | Rupees | Number | Rupees |
| **Equity Shares:** | | | | |
| **Issued, Subscribed and Paid up** | | | | |
| As at the beginning | 50,000 | 500,000 | - | - |
| Add: Issued During the year / period | - | - | 50,000 | 500,000 |
| **As at the end** | **50,000** | **500,000** | **50,000** | **500,000** |

(b) Rights Attached to Equity Shares

Voting Rights :

The Foundation has only one class of equity shares having a par value of ₹ 10 per share.

(c) Winding up:

If upon a winding up or dissolution of the Foundation, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Foundation but shall be given or transferred to such other company having objects similar to the objects of this Foundation, subject to such conditions as the Tribunal may impose or may be sold and proceeds thereof credited to the Rehabilitation and Insolvency Fund formed under Section 269 of the Companies Act, 2013.

(d) The Foundation can be amalgamated only with another company registered under Section 8 of the Act and having similar objects.

(e) Shares in the Foundation held by each shareholder holding more than 5 percent of the equity shares:

| Name of Shareholder | Current Year | | Previous Period | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| The Great Eastern Shipping Company Limited | 49,994 | 99.99 | 49,994 | 99.99 |

(f) There are no shares reserved for issue under options and contracts or commitments for the sale of shares.

(g) The Foundation has not been in existence for a period of five years immediately preceeding the date of the Balance Sheet as it was incorporated on February 26, 2015. For the period from the date of incorporation upto the date of Balance Sheet, the Foundation has not :

i) Allotted any shares as fully paid up pursuant to contracts without payment being received in cash ; or

ii) Allotted any shares as fully paid up bonus shares; or

iii) Bought back any of its Equity Shares.

(h) There are no calls unpaid on any equity shares.

(i) There are no forfeited shares.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

| Note No. | Particulars | Current Year | Previous Period |
|---|---|---|---|
| 9 | **Other Equity** | | |
| | Surplus : | | |
| | Opening Balance | 64,607,093 | - |
| | Add: Transferred from Income & Expenditure Account | 18,049,310 | 64,607,093 |
| | **Total** | **82,656,403** | **64,607,093** |
| 10 | **Other Current Liabilities** | | |
| | i) Outstanding expenses | 92,250 | 28,625 |
| | **Total** | **92,250** | **28,625** |
| 11 | **Provisions** | | |
| | For Gratuity | - | 51,619 |
| | **Total** | **-** | **51,619** |
| 12 | **Revenue** | | |
| | i) Contribution from The Great Eastern Shipping Company Limited | 58,378,803 | 52,584,136 |
| | ii) Contribution from Greatship (India) Limited | 24,434,000 | 82,563,597 |
| | **Total** | **82,812,803** | **135,147,733** |
| 13 | **Other Income** | | |
| | i) Interest on Fixed Deposits | 4,062,513 | 3,435,890 |
| | ii) Reversal of provision no longer required | 51,619 | - |
| | **Total** | **4,114,132** | **3,435,890** |
| 14 | **Employee Benefit Expenses** | | |
| | i) Salaries and Wages | - | 2,368,799 |
| | ii) Contribution to Gratuity Fund | - | 51,619 |
| | iii) Staff Welfare Expenses | - | 13,230 |
| | **Total** | **-** | **2,433,648** |

(Amount in ₹)

| Note No. | Particulars | Current Year | Previous Period |
|---|---|---|---|

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED MARCH 31, 2017

| | | | | |
|---|---|---|---|---|
| **15** | **Other Expenses** | | | |
| | i) | Participation Fees, Conferences and Seminars | 4,600 | 20,000 |
| | ii) | Filing Fees | 1,000 | 3,870 |
| | iii) | Legal and Professional Charges | - | 267,051 |
| | iv) | Preliminary expenses written off | - | 134,843 |
| | v) | Payment to Auditors | | |
| | | Audit Fees | 143,875 | 38,625 |
| | | Other Matters | - | 172,450 |
| | vi) | Miscellaneous Expenses | 29,108 | 14,558 |
| | **Total** | | **178,583** | **651,397** |

### 16 Commitment towards Contribution and Grants

As at March 31, 2017, the Foundation has committed to donate ₹ 66,887,586 (Previous Period ₹ 97,048,125) to various Charitable Institutions / Trusts.

### 17 Related Party Disclosure

I) List of Related Parties

Enterprises that are directly or indirectly controlled or are under common control

(a) The Great Eastern Shipping Company Limited

(b) Greatship (India) Limited

II) **Transactions with Related Parties**

| **Nature of Transaction** | **Holding Company** | | **Fellow Subsidiary** | |
|---|---|---|---|---|
| | **Current Year** | **Previous Period** | **Current Year** | **Previous Period** |
| | ₹ | ₹ | ₹ | ₹ |
| **CSR Contribution Received** | | | | |
| The Great Eastern Shipping Company Limited | 58,378,803 | 52,584,136 | - | - |
| Greatship (India) Limited | - | - | 24,434,000 | 82,563,597 |

### 18 General

a) The statutory year end of the Foundation is March 31, of each year and the first financial period was a period of 14 months from February 26, 2015, being the date of incorporation upto March 31, 2016.

b) Previous period figures have been regrouped / resated wherever necessary to conform to current year's classification.

THE GREAT EASTERN
SHIPPING CO. LTD.


**REGISTERED OFFICE**

OCEAN HOUSE
134/A, Dr. Annie Besant Road,
Worli, Mumbai - 400 018