

# **Deloitte.**

**ENERGY EASTERN PTE. LTD.**  
**(Incorporated in Singapore)**  
**(Company Registration No. 200802341E)**

**DIRECTORS' STATEMENT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2016**

**ENERGY EASTERN PTE. LTD.**  
(Incorporated in Singapore)

**DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS**

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## **ENERGY EASTERN PTE. LTD.**

### **DIRECTORS' STATEMENT**

The directors present their statement together with the audited financial statements of the company for the financial year ended March 31, 2016.

In the opinion of the directors, the financial statements of the company as set out on pages 5 to 29 are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2016 and the financial performance, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

#### **1 DIRECTORS**

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

Ramesh Narayanswamy Subramanyam

Kottamasu Venkateswara Rao

Sagi Satyanarayana Varma

Krishna Kumar Sharma

#### **2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES**

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

#### **3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act.

**ENERGY EASTERN PTE. LTD.**

**DIRECTORS' STATEMENT**

**5 SHARE OPTIONS**

- (a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the company was granted.

- (b) Options exercised

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

- (c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company under option.

**6 AUDITORS**

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



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Sagi Satyanarayana Varma  
Director



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Kottamasu Venkateswara Rao  
Director

June 10, 2016

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ENERGY EASTERN PTE. LTD.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Energy Eastern Pte. Ltd. (the "company") which comprise the statement of financial position of the company as at March 31, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 29.

### **Management's Responsibility 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 Singapore Companies Act (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 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.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
ENERGY EASTERN PTE. LTD.**

**Opinion**

In our opinion, the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at March 31, 2016 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

**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.



Public Accountants and  
Chartered Accountants  
Singapore

June 10, 2016

ENERGY EASTERN PTE. LTD.

STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2016

	<u>Note</u>	<u>2016</u> US\$	<u>2015</u> US\$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash at bank	6	169,009	336,004
Trade and other receivables	7	30,412,058	47,639,538
Total current assets		<u>30,581,067</u>	<u>47,975,542</u>
<b>TOTAL ASSETS</b>		<u>30,581,067</u>	<u>47,975,542</u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current liabilities</b>			
Bank loans	8	21,998,035	40,377,000
Trade payables	9	1,920,041	1,626,112
Other payables	10	1,381,668	2,518,030
Income tax payables	17	4	-
Total current liabilities		<u>25,299,748</u>	<u>44,521,142</u>
<b>Equity</b>			
Share capital	11	711,032	711,032
Accumulated profits		4,570,287	2,743,368
Total equity		<u>5,281,319</u>	<u>3,454,400</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>30,581,067</u>	<u>47,975,542</u>

*See accompany notes to financial statements*

**ENERGY EASTERN PTE. LTD.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
YEAR ENDED MARCH 31, 2016**

	<u>Note</u>	<u>2016</u> US\$	<u>2015</u> US\$
<b>Vessel operating income</b>	12	50,965,390	71,473,832
Vessel operating expenses	13	(47,629,743)	(69,037,501)
Exchange loss		(730)	(711)
Other income	14	345,686	869,980
Operating expenses	15	(1,116,262)	(1,205,061)
Finance costs	16	<u>(612,304)</u>	<u>(1,013,993)</u>
<b>Profit before income tax</b>		1,952,037	1,086,546
Income tax expense	17	<u>(125,118)</u>	<u>(95,123)</u>
<b>Total profit for the year representing total comprehensive income for the year</b>		<u>1,826,919</u>	<u>991,423</u>

*See accompany notes to financial statements*

ENERGY EASTERN PTE. LTD.

STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED MARCH 31, 2016

	Share capital US\$	Accumulated profits US\$	Total US\$
Balance as at March 31, 2014	711,032	1,751,945	2,462,977
Profit for the year, representing total comprehensive income for the year	<u>-</u>	<u>991,423</u>	<u>991,423</u>
Balance as at March 31, 2015	711,032	2,743,368	3,454,400
Profit for the year, representing total comprehensive income for the year	<u>-</u>	<u>1,826,919</u>	<u>1,826,919</u>
Balance as at March 31, 2016	<u>711,032</u>	<u>4,570,287</u>	<u>5,281,319</u>

*See accompany notes to financial statements*

**ENERGY EASTERN PTE. LTD.**

**STATEMENT OF CASHFLOWS  
YEAR ENDED MARCH 31, 2016**

	<u>2016</u> US\$	<u>2015</u> US\$
<b>Operating activities</b>		
Profit before income tax	1,952,037	1,086,546
Adjustments for:		
Interest expense	612,304	1,013,993
Interest income	<u>(345,686)</u>	<u>(869,980)</u>
<b>Operating cash flows before changes in working capital</b>	2,218,655	1,230,559
Trade and other receivables	17,572,410	(1,954,654)
Trade payables	168,815	(1,882,918)
Other payables	<u>(1,211,705)</u>	<u>1,389,072</u>
<b>Cash generated from (used in) operations</b>	18,748,175	(1,217,941)
Income taxes paid	-	(95,123)
Interest received	756	711,238
Interest paid	<u>(536,961)</u>	<u>(902,186)</u>
<b>Net cash from (used in) operating activities</b>	<u>18,211,970</u>	<u>(1,504,012)</u>
<b>Financing activities</b>		
Repayment of borrowings	(79,958,602)	(46,184,000)
Proceeds from borrowings	<u>61,579,637</u>	<u>47,994,000</u>
<b>Net cash (used in) from financing activities</b>	<u>(18,378,965)</u>	<u>1,810,000</u>
Net (decrease) increase in cash at bank	(166,995)	305,988
Cash at bank at the beginning of year	<u>336,004</u>	<u>30,016</u>
<b>Cash at bank at the end of year (Note 6)</b>	<u><u>169,009</u></u>	<u><u>336,004</u></u>

*See accompany notes to financial statements*

## ENERGY EASTERN PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2016

#### 1. GENERAL INFORMATION

The company (Registration No: 200802341E) is incorporated in Singapore with its principal place of business and registered office at 143 Cecil Street, #25-01GB Building, Singapore 069542. The financial statements are expressed in United States dollars.

The principal activity of the company is the chartering of cape size dry bulk carriers for the transportation of coal from Indonesia to Mundra in India for its immediate holding company.

The financial statements of the company for the financial year ended March 31, 2016 were authorised for issue by the board of directors on June 10, 2016.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** – The financial statements are prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**ADOPTION OF NEW AND REVISED STANDARDS** – On January 1, 2015, the company adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorization of these financial statements, the following FRSs and amendments to FRS that are relevant to the company was issued but not effective:

- FRS 109 *Financial Instruments*<sup>2</sup>
- FRS 115 *Revenue from Contracts with Customer*<sup>2</sup>
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*<sup>1</sup>
- Improvements to Financial Reporting Standards (November 2014)<sup>1</sup>

<sup>1</sup> Applies to annual periods beginning on or after January 1, 2016, with early application permitted.

<sup>2</sup> Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs and amendments to FRSs in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Key requirements of FRS 109:

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

The core principle of FRS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the separate performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

**FINANCIAL INSTRUMENT** - Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

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. Income and expense is recognised on an effective interest basis for debt instruments.

**Financial assets**

Cash and bank balances

Cash at bank is readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past due beyond 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs (see below).

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Derecognition of financial liabilities

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

**PROVISION** - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**REVENUE RECOGNITION** - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Freight revenue

Revenue from the provision of voyage charter is recognised in accordance to the terms of the contracts of affreightment.

Charter revenue

Revenue from the time chartering of vessels is recognised on an accrual basis.

Compensation income

Compensation income relates to reimbursement of the loss of profit due to the counter-party's non-honouring of the terms of a contract of affreightment and is governed by the contract of affreightment. Compensation income is recognised on an accrual basis

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**BORROWING COSTS** - Borrowing costs are recognised in profit or loss in the period in which they are incurred.

**INCOME TAX** - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from manner in which company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

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

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**FOREIGN CURRENCY TRANSACTIONS** - The financial statements of the company are measured and presented 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 United States dollars, which is the functional currency of the company and the presentation currency for the financial statements.

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. 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 profit or loss for the period.

**CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS** - Cash and cash equivalents in the statement of cash flows comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES  
OF ESTIMATION UNCERTAINTY**

a) Critical judgements in applying the company's accounting policies

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES  
OF ESTIMATION UNCERTAINTY (cont'd)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

b) Key sources of estimation uncertainty

Other than disclosed below, management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recoverability of trade and other receivables and provision for doubtful debts

At the end of each reporting period, management evaluates the collectability of trade and other receivables and records provisions for doubtful debts based on comparison of the relative age of trade receivables and credit history. As at March 31, 2016, management has reviewed the outstanding trade and other receivables amount and has not provided for any doubtful debts (2015 : US\$Nil).

Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and bad and doubtful debts expenses in the period in which such estimate has been changed. The carrying amount of trade and other receivables are stated in Note 7.

ENERGY EASTERN PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

a) *Categories of financial instruments*

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

	<u>2016</u> US\$	<u>2015</u> US\$
<b>Financial assets</b>		
Loans and receivables (including cash and cash equivalents)	<u>30,478,426</u>	<u>47,718,957</u>
<b>Financial liabilities</b>		
Amortised cost	<u>25,129,150</u>	<u>44,521,142</u>

b) *Financial risk management policies and objectives*

The company is exposed to various financial risks arising in the normal course of business. It has adopted risk management policies and utilises a variety of techniques to manage its exposure to these risks.

There has been no change to the company's exposure to these financial risks or the manners in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The company's has transactional currency exposures arising from expenses that are denominated in Singapore dollars.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in Singapore dollars are as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
<u>Assets</u>		
Cash at bank	<u>2,965</u>	<u>10,226</u>
<u>Liabilities</u>		
Other payables	35,300	34,709
Income tax payable	<u>4</u>	<u>-</u>

ENERGY EASTERN PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT  
(cont'd)

*Foreign currency sensitivity*

If the Singapore dollar strengthens/weakens by 10% against the United States dollar, the company's profit for the financial year will decrease/increase by US\$3,234 (2015 : US\$2,448).

(ii) Interest rate risk management

Interest rate risk arises from the potential change in interest rates that may have an effect on the company in the current reporting period. The company is not exposed to significant interest rate risk as at the end of the reporting period.

*Interest rate sensitivity*

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the company's profit for the year ended March 31, 2016 would increase/decrease by US\$35,499 (2015 : US\$19,375). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings and variable rate receivables.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management.

The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. Majority of the receivables are from the immediate holding company. Management is of the view that the amounts due from the immediate holding company are not subjected to significant credit risks.

Cash is deposited with reputed financial institutions.

ENERGY EASTERN PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT  
(cont'd)

(iv) Liquidity risk management

The company has sufficient funds to finance its working capital. Furthermore, the company received financial guarantee from its ultimate holding company, the Tata Power Company Limited, amounting US\$55 million as at March 31, 2016 for the loan taken from Australia and New Zealand (ANZ) Banking Group and Bank of America Merrill Lynch.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have 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 includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Average effective interest rate %	On demand or within 1 year US\$	Adjustment US\$	Total US\$
<u>2016</u>				
Non-interest bearing	N.A	3,131,115	-	3,131,115
Variable interest rate instruments	1.76	<u>22,017,191</u>	<u>(19,156)</u>	<u>21,998,035</u>
		<u>25,148,306</u>	<u>(19,156)</u>	<u>25,129,150</u>
<u>2015</u>				
Non-interest bearing	N.A	4,144,142	-	4,144,142
Variable interest rate instruments	2.06	<u>40,433,379</u>	<u>(56,379)</u>	<u>40,377,000</u>
		<u>44,577,521</u>	<u>(56,379)</u>	<u>44,521,142</u>

ENERGY EASTERN PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT  
(cont'd)

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the company's liquidity risk management as the company's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Average effective interest rate %	On demand or within 1 year US\$	Adjustment US\$	Total US\$
<u>2016</u>				
Non-interest bearing	N.A	1,380,656	-	1,380,656
Variable interest rate instruments	1.78	<u>29,517,935</u>	<u>(420,165)</u>	<u>29,097,770</u>
		<u>30,898,591</u>	<u>(420,165)</u>	<u>30,478,426</u>
<u>2015</u>				
Non-interest bearing	N.A	3,466,912	-	3,466,912
Variable interest rate instruments	2.15	<u>44,395,223</u>	<u>(143,178)</u>	<u>44,252,045</u>
		<u>47,862,135</u>	<u>(143,178)</u>	<u>47,718,957</u>

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash at bank, trade and other receivables, bank loans, and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

ENERGY EASTERN PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT  
(cont'd)

(vi) Capital risk management

The company reviews its capital structure at least annually to ensure that the company will be able to continue as a going concern. The capital structure of the company comprises only of issued capital and accumulated profits. The company's overall strategy remains unchanged from 2015.

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The company's immediate holding company is Coastal Gujarat Power Limited (CGPL), incorporated in India, and its ultimate holding company is The Tata Power Company Limited, incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Many of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

	<u>2016</u> US\$	<u>2015</u> US\$
<u>Ultimate holding company</u>		
Interest on financial guarantees provided to banks	<u>(79,902)</u>	<u>(168,828)</u>
<u>Immediate holding company</u>		
Freight income	38,990,873	61,099,255
Compensation income	4,901,897	4,259,863
Interest income	344,930	869,939
Interest on financial guarantees provided to banks	<u>(57,156)</u>	<u>(57,000)</u>
<u>Fellow subsidiary</u>		
Management fees paid/payable	<u>(960,033)</u>	<u>(1,105,643)</u>

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (cont'd)**

*Compensation of directors and key management personnel*

The company does not have any employees. All services provide by the company are managed by Trust Energy Resources Pte Ltd, fellow subsidiary of the company, and the charges are included under the management fee charged by the related company. Hence, there is no staff cost or key management remuneration cost incurred by the company.

*Compensation relief to Immediate Holding Company*

Compensation relief of Nil (2015 : US\$1.3 million) is granted against the compensation income (Note 12) charged to Coastal Gujarat Power Limited (CGPL) over its non-execution of the 20-year Certificate of Affreightment (COA) with Energy Eastern Pte Ltd for M.V. Kanaris. In accordance with FRS 18 *Revenue*, as this rebate is part of the same transaction (of compensation payment on the COA), the amount is presented net against FY2016's compensation income.

**6. CASH AT BANK**

	<u>2016</u> US\$	<u>2015</u> US\$
Cash at bank	<u>169,009</u>	<u>336,004</u>

**7. TRADE AND OTHER RECEIVABLES**

	<u>2016</u> US\$	<u>2015</u> US\$
Immediate holding company (Note 5)	29,097,770	46,495,772
Interest receivable from immediate holding company (Note 5)	819,479	474,551
Outside party	392,168	412,630
Prepayments of charter hire	<u>102,641</u>	<u>256,585</u>
	<u>30,412,058</u>	<u>47,639,538</u>

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**7. TRADE AND OTHER RECEIVABLES (cont'd)**

The average credit period is 180 days (2015 : 3 days). Interest is charged on the trade receivables at the weighted average rate of 1.78% per annum (2015 : 2.15% per annum) plus applicable variable interest to the immediate holding company on trade receivables beyond the credit period of 180 days from the date of invoice.

Before accepting any new customer, the company will assess the potential customer's credit quality. Limits are monitored periodically by management. The company makes specific allowances for receivables based on management assessment that majority of receivables that are past due beyond 120 days are generally not recoverable. In determining the recoverability of a trade receivable the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no allowance required.

Included in the company's trade receivables balance are debtors with a carrying amount of US\$4.57 million (2015 : US\$17.4 million) which are past due at the end of reporting period for which the company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Management believes that trade receivables that are neither past due nor impaired are with creditworthy counterparties.

Outstanding balances with the immediate holding company are unsecured. There is no allowance for doubtful debt arising from the outstanding balances.

**8. BANK LOANS**

	<u>2016</u> US\$	<u>2015</u> US\$
Secured bank loan - at amortised cost	<u>21,998,035</u>	<u>40,377,000</u>

Bank loans of US\$21,998,035 (2015 : US\$40,377,000) are arranged at floating interest rates, thus exposing the company to interest rate risk. During the year, interest is charged at a weighted average rate of 1.76% (2015 : 2.06%) per annum. The bank loans are secured by corporate guarantees executed by the ultimate holding company.

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**8. BANK LOANS (cont'd)**

The company has the following borrowing arrangements:

- a) A short term loan facility with Australia and New Zealand Banking Group Ltd of up to US\$25 million (2015 : US\$25 million) to assist with working capital requirements. The facility is granted on an uncommitted basis and is secured by a corporate guarantee issued by the ultimate holding company for an amount of US\$27.5 million (2015 : US\$27.5 million). The amounts utilised under the facility are repayable on demand and within six months from the utilisation date. The interest on the outstanding loan amount is to be paid on the same repayment dates along with the principal and the interest is computed for the actual number of days. The bank loans bear annual interest rate at 1.75 % plus the applicable period's LIBOR. As at March 31, 2016, the amount outstanding under this facility is US\$1.4 million (2015 : US\$24.4 million).
- b) A short term loan facility with the Bank of America Merrill Lynch of up to US\$25 million (2015 : Nil) to assist with working capital requirements. The facility is granted on an uncommitted basis and is secured by a corporate guarantee issued by the ultimate holding company for an amount of US\$27.5 million (2015 : Nil). The amounts utilised under the facility are repayable on demand and within six months from the utilisation date. The interest on the outstanding loan amount is to be paid on the same repayment dates along with the principal and the interest is computed for the actual number of days. The bank loans bear annual interest rate at 1.30% plus the applicable period's LIBOR. As at March 31, 2016, the amount outstanding under this facility is US\$20.6 million (2015 : Nil).
- c) Short term loan facility with Royal Bank of Scotland of up to US\$25 million to assist with working capital requirements. The facility was granted on an uncommitted basis and was secured by a corporate guarantee issued by the ultimate holding company for an amount of US\$44 million. The amounts utilised under the facility are repayable on demand and within one year from the utilisation date. The interest on the outstanding loan amount was to be paid on the same repayment dates along with the principal and the interest is computed for the actual number of days. The bank loans bear annual interest rate at 2.1% plus the applicable period's bank's cost of fund. As at March 31, 2015, the amount outstanding under this facility was US\$16 million. The loan was fully repaid during financial year ended March 31, 2016.

**9. TRADE PAYABLES**

	<u>2016</u> US\$	<u>2015</u> US\$
Accrued expenses	230,511	529,175
Immediate holding company (Note 5)	399,008	665,119
Outside parties	<u>1,290,522</u>	<u>431,818</u>
	<u>1,920,041</u>	<u>1,626,112</u>

The average credit period on purchases of services is 5 days (2015 : 5 days). No interest is charged on trade payables.

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**10. OTHER PAYABLES**

	<u>2016</u> US\$	<u>2015</u> US\$
Accrued expenses	35,300	34,709
Accrued interest	14,296	15,913
Deferred income	170,594	275,132
Fellow subsidiary (Note 5)	1,027,235	2,096,665
Immediate holding company (Note 5)	114,156	57,000
Ultimate holding company (Note 5)	<u>20,087</u>	<u>38,611</u>
	<u>1,381,668</u>	<u>2,518,030</u>

The company's other payables repayment terms pertaining to related company, fellow subsidiaries and ultimate holding company ranges from repayable on demand to 90 days (2015 : repayable on demand to 90 days).

**11. SHARE CAPITAL**

	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	Number of ordinary shares		US\$	US\$
<u>Issued and fully paid:</u>				
At the beginning and end of year	<u>711,032</u>	<u>711,032</u>	<u>711,032</u>	<u>711,032</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

**12. VESSEL OPERATING INCOME**

	<u>2016</u> US\$	<u>2015</u> US\$
Freight revenue (Note 5)	<u>38,990,873</u>	<u>61,099,255</u>
Charter revenue	7,072,620	6,114,714
Compensation income (Note 5)	<u>4,901,897</u>	<u>4,259,863</u>
Others vessel operating income	<u>11,974,517</u>	<u>10,374,577</u>
	<u>50,965,390</u>	<u>71,473,832</u>

**ENERGY EASTERN PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016**

**13. VESSEL OPERATING EXPENSES**

	<u>2016</u> US\$	<u>2015</u> US\$
Freight expenses	37,792,633	59,703,428
Charter hire fees	9,837,110	9,329,364
Others	-	4,709
	<u>47,629,743</u>	<u>69,037,501</u>

**14. OTHER INCOME**

	<u>2016</u> US\$	<u>2015</u> US\$
Interest income from immediate holding company (Note 5)	344,930	869,939
Others	756	41
	<u>345,686</u>	<u>869,980</u>

**15. OPERATING EXPENSES**

	<u>2016</u> US\$	<u>2015</u> US\$
Management fee (Note 5)	960,033	1,105,643
Legal and professional fees	2,497	10,218
Insurance premium expenses	56,705	38,757
Others	97,027	50,443
	<u>1,116,262</u>	<u>1,205,061</u>

**16. FINANCE COSTS**

	<u>2016</u> US\$	<u>2015</u> US\$
Interest on borrowings	475,246	788,165
Interest on financial guarantees provided to banks by immediate holding company (Note 5)	57,156	57,000
Interest on financial guarantees provided to banks by ultimate holding company (Note 5)	79,902	168,828
	<u>612,304</u>	<u>1,013,993</u>

ENERGY EASTERN PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2016

17. INCOME TAX EXPENSE

	<u>2016</u> US\$	<u>2015</u> US\$
Tax expense comprises:		
Withholding tax	125,114	95,123
Adjustments recognised in the current year in relation to the current tax of prior years	<u>4</u>	<u>-</u>
	<u>125,118</u>	<u>95,123</u>

Income tax expense is calculated at 17% (2015 : 17%) of the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
Profit before tax	<u>1,952,037</u>	<u>1,086,546</u>
Tax expense calculated at 17% (2015 : 17%)	331,846	184,713
Items not subject to tax	(331,846)	(184,713)
Withholding tax	125,114	95,123
Adjustments recognised in the current year in relation to the current tax of prior years	<u>4</u>	<u>-</u>
	<u>125,118</u>	<u>95,123</u>

With effect from August 1, 2011, the company has been awarded the status of Approved International Shipping Enterprise (AIS) pursuant to the Maritime Sector Incentive Scheme of Maritime and Port Authority of Singapore (MPA) for a period of 10 years. This status entitles the company to claim tax exemption under Section 13F of Singapore Income tax act for all the incomes arising out of qualifying shipping operations. This approval has been granted subject to satisfaction of certain conditions which are required to be met by the end of 5 years from the date of commencement of exemption period and will be subject to review by MPA at the end of 5<sup>th</sup> year.

The award of the Maritime Sector Incentive - Approved International Shipping Enterprise (MSI-AIS) status to Energy Eastern Pte Ltd is pegged to the MSI-AIS status of Trust Energy Resources Pte Ltd, a related company, which ends on July 31, 2021. Once the MSI-AIS status of Trust Energy Resources Pte Ltd is withdrawn, revoked or expires without renewal, the MSI-AIS sister status for Energy Eastern Pte Ltd would also be withdrawn with effect from that same date of expiry, withdrawal or revocation.

**ENERGY EASTERN PTE. LTD.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2016**

	Year ended 31 March 2016	Exchange Rate	Amount	Year ended 31 March 2015	Exchange Rate	Amount
	USD		₹	USD		₹
Vessel operating income	50,965,390	65.46	3,336,250,491	71,473,832	61.15	4,370,417,553
Vessel operating expenses	(47,629,743)	65.46	(3,117,895,369)	(69,037,501)	61.15	(4,221,442,977)
Exchange (loss) / gain	(730)	65.46	(47,787)	(711)	61.15	(43,476)
Other income	345,686	65.46	22,628,986	869,980	61.15	53,196,754
Operating expenses	(1,116,262)	65.46	(73,071,738)	(1,205,061)	61.15	(73,685,985)
Finance costs	<u>(612,304)</u>	65.46	<u>(40,082,093)</u>	<u>(1,013,993)</u>	61.15	<u>(62,002,731)</u>
Profit before income tax	1,952,037	65.46	127,782,490	1,086,546	61.15	66,439,138
Income tax expense	<u>(125,118)</u>	65.46	<u>(8,190,362)</u>	<u>(95,123)</u>	61.15	<u>(5,816,496)</u>
<b>Total profit for the year representing total comprehensive income for the year</b>	<b><u>1,826,919</u></b>	<b>65.46</b>	<b><u>119,592,128</u></b>	<b><u>991,423</u></b>	<b>61.15</b>	<b><u>60,622,642</u></b>

**ENERGY EASTERN PTE. LTD.**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	As at March, 2016 USD	Exchange Rate	Amount ₹	As at March, 2015 USD	Exchange Rate	Amount ₹
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash at bank	169,009	66.25	11,196,424	336,004	62.50	20,999,410
Trade and other receivables	30,412,058	66.25	2,014,722,812	47,639,538	62.50	2,977,352,026
<b>Total current assets</b>	<u>30,581,067</u>	66.25	<u>2,025,919,236</u>	<u>47,975,542</u>	62.50	<u>2,998,351,436</u>
<b>TOTAL ASSETS</b>	<u><u>30,581,067</u></u>	66.25	<u><u>2,025,919,236</u></u>	<u><u>47,975,542</u></u>	62.50	<u><u>2,998,351,436</u></u>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Bank Loans	21,998,035	66.25	1,457,314,824	40,377,000	62.50	2,523,461,558
Trade Payables	1,920,041	66.25	127,197,916	1,626,112	62.50	101,627,935
Other payables	1,381,668	66.25	91,532,051	2,518,030	62.50	157,370,580
Income tax payables	4	66.25	265	-	62.50	-
<b>Total current liabilities</b>	<u>25,299,748</u>	66.25	<u>1,676,045,056</u>	<u>44,521,142</u>	62.50	<u>2,782,460,073</u>
<b>EQUITY</b>						
Share capital	711,032	47.86	34,029,123	711,032	47.86	34,029,123
Accumulated profits	4,570,287	62.77	286,898,841	2,743,368	60.99	167,306,713
Exchange fluctuation reserve	-		28,946,216	-		14,555,527
<b>Total equity</b>	<u>5,281,319</u>	66.25	<u>349,874,180</u>	<u>3,454,400</u>	62.50	<u>215,891,363</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>30,581,067</u></u>	66.25	<u><u>2,025,919,236</u></u>	<u><u>47,975,542</u></u>	62.50	<u><u>2,998,351,436</u></u>

**ENERGY EASTERN PTE. LTD.**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 MARCH 2016**

	Share Capital USD	Exchange Rate	Amount ₹	Accumulated Profits / (Losses) USD	Exchange Rate	Amount ₹	Total USD	Exchange Rate	Amount ₹
<b>At 1 April 2014</b>	711,032	47.86	34,029,123	1,751,945	60.89	106,684,071	2,462,977	57.13	140,713,194
Total profit for the year representing total comprehensive income for the year				991,423	61.15	60,622,642	991,423	61.15	60,622,641
<b>At 31 March 2015</b>	<u>711,032</u>	47.86	<u>34,029,123</u>	<u>2,743,368</u>	60.99	<u>167,306,713</u>	<u>3,454,400</u>	58.28	<u>201,335,835</u>
Total profit for the year representing total comprehensive income for the year				1,826,919	65.46	119,592,128	1,826,919	65.46	119,592,128
<b>At 31 March 2016</b>	<u>711,032</u>	47.86	<u>34,029,123</u>	<u>4,570,287</u>	62.77	<u>286,898,841</u>	<u>5,281,319</u>	60.77	<u>320,927,963</u>

**ENERGY EASTERN PTE. LTD.**  
**STATEMENT CASH FLOWS**  
**YEAR ENDED 31 MARCH 2016**

	Year ended 31 March 2016 USD	Exchange Rate	Amount ₹	Year ended 31 March 2015 USD	Exchange Rate	Amount ₹
<b>Operating activities</b>						
Profit before income tax	1,952,037	65.46	127,782,490	1,086,546	61.15	66,439,138
Adjustment for :						
Interest expenses	612,304	65.46	40,082,094	1,013,993	61.15	62,002,731
Interest income	(345,686)	65.46	(22,628,986)	(869,980)	61.15	(53,196,754)
<b>Operating cash flows before changes in working capital</b>	<b>2,218,655</b>	<b>65.46</b>	<b>145,235,598</b>	<b>1,230,559</b>	<b>61.15</b>	<b>75,245,115</b>
Working capital changes						
Trade and other receivables	17,572,410	65.46	1,150,309,295	(1,954,654)	61.15	(119,521,424)
Trade payables	168,815	65.46	11,050,816	(1,882,918)	61.15	(115,134,975)
Other payables	(1,211,705)	65.46	(79,319,543)	1,389,072	61.15	84,937,724
<b>Cash used in operations</b>	<b>18,748,175</b>	<b>65.46</b>	<b>1,227,276,166</b>	<b>(1,217,941)</b>	<b>61.15</b>	<b>(74,473,560)</b>
Income taxes paid	-	65.46	-	(95,123)	61.15	(5,816,496)
Interest received	756	65.46	49,489	711,238	61.15	43,490,141
Interest paid	(536,961)	65.46	(35,150,058)	(902,186)	61.15	(55,166,058)
<b>Net cash used in operating activities</b>	<b>18,211,970</b>	<b>65.46</b>	<b>1,192,175,597</b>	<b>(1,504,012)</b>	<b>61.15</b>	<b>(91,965,973)</b>
<b>Financing activities</b>						
Repayment of borrowings	(79,958,602)	65.46	(5,234,178,072)	(46,184,000)	61.15	(2,824,017,666)
Proceeds from borrowings	61,579,637	65.46	4,031,070,799	47,994,000	61.15	2,934,693,917
<b>Net cash from financing activities</b>	<b>(18,378,965)</b>		<b>(1,203,107,273)</b>	<b>1,810,000</b>	<b>61.15</b>	<b>110,676,251</b>
<b>Net increase / (decrease) in cash at bank</b>	<b>(166,995)</b>	<b>65.46</b>	<b>(10,931,676)</b>	<b>305,988</b>	<b>61.15</b>	<b>18,710,278</b>
Cash at bank at the beginning of year	336,004	62.50	20,999,410	30,016	59.89	1,797,658
Effect of exchange fluctuation on cash at bank			1,128,690			491,474
<b>Cash at bank at the end of year</b>	<b>169,009</b>	<b>66.25</b>	<b>11,196,424</b>	<b>336,004</b>	<b>62.50</b>	<b>20,999,410</b>