



TRUST ENERGY RESOURCES PTE. LTD.
(Company Registration No. 200802690C)

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED MARCH 31, 2017

TRUST ENERGY RESOURCES PTE. LTD.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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TRUST ENERGY RESOURCES 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, 2017.

In the opinion of the directors, the accompanying financial statements as set out on pages 6 to 41 are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2017, 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:

Kottamasu Venkateswara Rao

Anand Agarwal

(Appointed on June 14, 2016)

Sagi Satyanarayana Varma

(Appointed on July 19, 2016)

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.

TRUST ENERGY RESOURCES PTE. LTD.

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the company were 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 options.

ON BEHALF OF THE DIRECTORS



.....
Sagi Satyanarayana Varma



.....
Kottamasu Venkateswara Rao

Date: **23 JUN 2017**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TRUST ENERGY RESOURCES PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Trust Energy Resources Pte. Ltd. (the "Company") which comprise the statement of financial position of the Company as at March 31, 2017, and 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, as set out on pages 6 to 41.

In our opinion, the accompanying financial statements of 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 as at March 31, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on page 1 to 2.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST ENERGY RESOURCES PTE. LTD.

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:

- (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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TRUST ENERGY RESOURCES PTE. LTD.**

- (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.



Public Accountants and
Chartered Accountants
Singapore

June 23, 2017

TRUST ENERGY RESOURCES PTE. LTD.

**STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017**

	Note	2017 US\$	2016 US\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	7	11,689,771	7,801,006
Trade receivables	8	36,569,565	37,237,230
Other receivables and prepayments	9	20,550,212	31,952,893
		<u>68,809,548</u>	<u>76,991,129</u>
Non-current assets held for sale	10	3,586,698	-
Total current assets		<u>72,396,246</u>	<u>76,991,129</u>
Non-current assets			
Investments in subsidiary	11	-	-
Investments in joint venture	12	789,065	789,065
Property, plant and equipment	13	197,926,290	152,273,046
Prepayment for vessel	14	-	27,481,380
Total non-current assets		<u>198,715,355</u>	<u>180,543,491</u>
TOTAL ASSETS		<u>271,111,601</u>	<u>257,534,620</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Trade payables	15	1,898,153	895,288
Other payables	16	1,288,141	7,927,727
Current portion of bank loans	17	11,731,754	8,814,005
Income tax payable		2,015,077	739,823
Total current liabilities		<u>16,933,125</u>	<u>18,376,843</u>
Non-current liabilities			
Derivative financial instruments	17	1,047,962	1,990,032
Non-current portion of bank loans	17	102,032,253	92,387,872
Total non-current liabilities		<u>103,080,215</u>	<u>94,377,904</u>
Capital and reserves			
Share capital	18	129,153,344	129,153,344
Accumulated profits		21,944,917	15,626,529
Total equity		<u>151,098,261</u>	<u>144,779,873</u>
TOTAL LIABILITIES AND EQUITY		<u>271,111,601</u>	<u>257,534,620</u>

See accompany notes to financial statements

TRUST ENERGY RESOURCES PTE. LTD.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		US\$	US\$
Freight income		24,416,438	16,184,981
Other vessels operating income		33,215,078	24,777,398
Other operating income	19	17,414,079	6,848,705
Exchange (loss) gain		(10,383)	2,837
Freight expenses		(24,866,227)	(15,746,836)
Vessel running costs		(5,313,513)	(4,160,643)
Staff and related costs		(1,404,201)	(1,780,791)
Operating expenses	20	(689,954)	(676,549)
Depreciation expenses	13	(8,759,758)	(8,706,064)
Finance costs	21	(3,613,720)	(4,751,141)
Profit before income tax	22	<u>30,387,839</u>	<u>11,991,897</u>
Income tax expense	23	<u>(2,069,451)</u>	<u>(831,995)</u>
Total profit for the year, representing total comprehensive income for the year		<u><u>28,318,388</u></u>	<u><u>11,159,902</u></u>

See accompany notes to financial statements.

TRUST ENERGY RESOURCES PTE. LTD.**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2017**

	Share capital	Accumulated (losses)/profits	Total
	US\$	US\$	US\$
Balance as at April 1, 2015	129,153,344	4,466,627	133,619,971
Profit for the year, representing total comprehensive income for the year	-	11,159,902	11,159,902
Balance as at March 31, 2016	129,153,344	15,626,529	144,779,873
Dividend paid during the year @ US\$0.17 per ordinary share, representing transactions with owners recognised directly in equity	-	(22,000,000)	(22,000,000)
Profit for the year, representing total comprehensive income for the year	-	28,318,388	28,318,388
Balance as at March 31, 2017	129,153,344	21,944,917	151,098,261

See accompany notes to financial statements.

TRUST ENERGY RESOURCES PTE. LTD.

**STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		US\$	US\$
Operating activities			
Profit before tax		30,387,839	11,991,897
Adjustments for:			
Depreciation expense	13	8,759,758	8,706,064
Interest expense	21	4,555,790	5,611,766
Interest income	19	(258,403)	(401,680)
Fair value gain on interest cap	21	(942,070)	(860,625)
Reversal of impairment loss of investment in subsidiary	11	(3,586,698)	-
Cash flows before changes in working capital		<u>38,916,216</u>	<u>25,047,422</u>
Trade receivables		702,838	(7,160,287)
Other receivables and prepayments		1,243,790	1,084,626
Trade payables		1,002,865	245,314
Other payables		(1,802,625)	(3,531,229)
Cash generated from operations		<u>40,063,084</u>	<u>15,685,846</u>
Interest received		31,608	22,977
Interest paid		(2,664,929)	(3,667,265)
Income taxes paid		(794,197)	(178,819)
Net cash from operating activities		<u>36,635,566</u>	<u>11,862,739</u>
Investing activities			
Purchase of property, plant and equipment	13	(36,524)	(90,101)
Loan to fellow subsidiary	9	(19,600,000)	-
Payment towards dry docking	13	(1,100,000)	(1,799,657)
Payment towards construction of vessels		(25,796,168)	(10,415,000)
Proceeds from disposal of JV/ associates	9	29,950,513	-
Proceeds from disposal of fixed asset		1,070	-
Net cash used in investing activities		<u>(16,581,109)</u>	<u>(12,304,758)</u>
Financing activities			
Proceeds from borrowings from bank		23,226,250	21,037,500
Repayment of borrowings from bank		(10,391,942)	(20,177,905)
Withdrawal of term deposit		-	2,005,750
Repayment of loan to fellow subsidiary	16	(7,000,000)	-
Dividend paid to shareholders		(22,000,000)	-
Net cash (used in) from financing activities		<u>(16,165,692)</u>	<u>2,865,345</u>
Net increase in cash and cash equivalents		3,888,765	2,423,326
Cash and cash equivalents at the beginning of the year		7,801,006	5,377,680
Cash and cash equivalents at the end of the year	7	<u>11,689,771</u>	<u>7,801,006</u>

See accompany notes to financial statements

TRUST ENERGY RESOURCES PTE. LTD.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

1. GENERAL INFORMATION

The company (Registration No: 200802690C) is incorporated in Singapore with its principal place of business and registered office at 78 Shenton Way, #17-01/02 Singapore 079120. The financial statements are expressed in United States dollars.

The principal activities of the company are those of providing shipping, coal handling, and cargo services, investment holding, and trading in energy related commodities.

As described in Note 4(b)(i) and Note 4(b)(v), the company has a major customer, Coastal Gujarat Power Limited ("CGPL") which is a fellow subsidiary. CGPL incurred losses, has net current liability position and also non-compliance of debt covenants during the financial year. These conditions has indicated the existence of a material uncertainty that may cast significant doubt about CGPL's ability to continue as a going concern. Notwithstanding the above, CGPL will be able to continue as a going concern with the support of its holding company, The Tata Power Company Limited.

The financial statements of the company for the financial year ended March 31, 2017 were authorised for issue by the board of directors on June 23, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING -The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, 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 which market participants would take into account when pricing 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 Payments*, 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.

TRUST ENERGY RESOURCES PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2016, 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/revise d 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 authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the company was issued but not effective:

- FRS 109 *Financial Instruments*¹
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*¹
- FRS 116 *Leases*³
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*²

¹ Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

² Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

³ Applies to annual periods beginning on or after January 1, 2019, with early application permitted if FRS 115 is adopted.

The management does not anticipate that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will 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.

Key requirements of FRS 109 (relevant to the company):

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.

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.

Management anticipates that the application of FRS 109 in the future would result in changes to the accounting policies relating to the impairment provisions of financial assets and liabilities. Management intends to adopt FRS 109 when it becomes effective in 2018. Additional disclosures will also be made.

TRUST ENERGY RESOURCES PTE. LTD.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

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. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise 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 separate 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 the revenue when (or as) the entity satisfies each performance obligation.

Under FRS 115, an entity recognises 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.

Management intends to adopt FRS 115 when it becomes effective in 2018. Management anticipates that the application of FRS 115 in the future may have a material impact on the amounts reported and disclosures made in the company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of FRS 115 until management completes its assessment.

FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management anticipate that the initial application of the new FRS 116 will result in operating leases to be recognised as right-of-use assets with corresponding lease liabilities, unless they qualify for low value or short-term leases. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact to the amounts recognised in the company's financial statements and management is currently assessing its potential impact. It is not practical to provide a reasonable estimate impact to the company's financial statements until management completes its assessment.

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

CONSOLIDATION - Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary of the ultimate holding company, The Tata Power Company Ltd, incorporated in India, who prepares consolidated financial statements. Such financial statements are publicly available. The registered office of The Tata Power Company Ltd is located at Bombay House, 24, HomiMody Street, Mumbai 400001, India.

Investments in subsidiary and joint venture are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

INTERESTS IN JOINT VENTURE - A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

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 (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) 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

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified as "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

TRUST ENERGY RESOURCES PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

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 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 is 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.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, 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 the average credit period of 30 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.

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

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.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when recognition of interest would be immaterial.

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).

Derecognition of financial liabilities

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

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments to manage its exposure to interest rate risk, including interest rate cap contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost less residual value over their estimated useful lives, using the straight-line method, on the following bases:

Asset Category	Economic Useful Life
Leasehold improvements	3 years
Furniture and Fixtures	3 years
IT & Electronic Devices (or "Tools and Equipment")	3 years
Vessels	25 years
Dry-docking	5 years

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Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss.

IMPAIRMENT OF TANGIBLE ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NON-CURRENT ASSET HELD FOR SALE – Non-current asset are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving the loss of control of a subsidiary, all the assets and liabilities of the subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

PROVISIONS - 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.

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REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided and services rendered in the normal course of business, net of discounts and sales related taxes.

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.

Commission income

Commission income is recognised when services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future receipts through the expected life of the financial asset to that asset's net carrying amount.

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BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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 end of the reporting period.

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 profit or loss and other 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 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. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

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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 profit or loss.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the Company 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 on the end of the reporting period. 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 on hand and demand deposits, and other short-term highly liquid investments 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, the 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.

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.

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b) Key sources of estimation uncertainty

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

Allowance for doubtful debts

The policy for allowance for doubtful debts of the Company is based on the evaluation of collectability of debts, ageing analysis of accounts and on the management's estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history of each customer, the extent of credit insurance coverage and on-going dealings with these parties. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. The carrying amount of trade receivables is disclosed in Note 8 to the financial statements.

Impairment of vessels

Determining whether vessels are impaired requires an estimation of the vessels' value in use. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the charter of vessels and a suitable discount rate in order to calculate the present value of such cash flows.

The Company had engaged an independent valuer to carry out the valuation of the vessels. The fair value of the vessels was assessed at US\$217,000,000 (2016 : US\$164,000,000). This valuation was assessed using the discounted cash flow approach based on the expected cash flows including compensation under the 20 year contract of affreightment for the vessels which the Company has entered into with a fellow subsidiary. This valuation has been carried out by applying a weighted average cost of capital of 9% (2016 : 9%) per annum, which is a level 3 input in terms of FRS 113 *Fair Value Measurement*. The carrying amount of vessels at the end of the reporting period was US\$197,851,994 (2016 : US\$152,189,141) (Note 13).

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Useful lives of property, plant and equipment and residual value

As described in Note 2, the Company reviews the estimated useful lives and the residual value of property, plant and equipment at the end of each annual reporting period.

During the financial year, the management had engaged an independent valuer to ascertain the residual value of the vessels. This estimation was based on the estimated prices of scrap at the end of the useful lives of the vessels discounted to current date and the amount of scrap from the vessels. The management has determined that the residual value for Trust Agility and Trust Integrity to be US\$8,000,000 each and Trust Amity to be US\$9,000,000.

The management also determined that the useful life of Trust Agility and Trust Integrity should be longer, due to renewed management intentions to use the vessels for 25 years consistent with its new vessels, Trust Amity and similar to the useful lives of the vessels of the same class and capacity in the market as quoted by an independent report.

The financial effect of this reassessment, assuming assets are held until the end of their estimated useful lives, is to decrease the depreciation expense in the current period and each subsequent periods to the end of useful life of US\$1,030,000 per year.

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4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

a) Categories of financial instruments

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

	2017	2016
	US\$	US\$
Financial assets		
Cash and cash equivalents	11,689,771	7,801,006
Loan and receivables	56,989,520	68,838,533
Financial liabilities		
Amortised cost	116,470,031	109,857,565
Derivative financial liability at fair value through profit or loss	1,047,962	1,990,032

There are no financial assets and liabilities that are subject to offsetting.

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) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company deals mainly with related companies and reputable companies. All customers of the Company are evaluated by the holding company, who in turn will advise the credit terms to be granted. Where appropriate, letters of credit are requested.

The Company's principal financial assets are cash and cash equivalent, trade and other receivables.

Cash and cash equivalent is deposited with reputable financial institutions.

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Significant concentration of credit risk

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

As at March 31, 2017, the balance due from Tata Power International Pte Limited, RWOOD Resources DMCC and Coastal Gujarat Power Limited represented 60% (2016 : 95%) of the Company's trade and other receivables balance.

Further details of credit risks on trade and other receivables is disclosed in Notes 8 and 9 respectively.

ii) Interest rate risk management

Interest rate risk arises from the potential change in interest rates that may have an adverse effect on the Company in the currency reporting period or in future years.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative 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.

The Company had entered into a derivative agreement to protect against the effect of volatility in interest rates arising on variable interest rate financial liabilities. The notional amount of the derivative agreement is US\$113,764,007 (2016 : US\$101,201,877). Further details on the derivative agreement are disclosed in Note 15 to the financial statements.

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, 2017 would decrease/increase (2016 : decrease/increase) by US\$443,810 (2016 : US\$377,737) after excluding potential effects of changes in value of derivatives. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings and trade financing.

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iii) Foreign currency risk management

The Company is exposed to changes in foreign exchange rates primarily with respect to the Singapore dollar, Australian dollar and Indonesian rupiah.

At the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency are as follows:

	<u>Liabilities</u>		<u>Assets</u>	
	2017	2016	2017	2016
	US\$	US\$	US\$	US\$
Singapore dollar	298,249	279,473	571,201	766,922
Australian dollar	-	-	16,190	15,765
Indonesian rupiah	-	-	28,433	36,224
	<u>298,249</u>	<u>279,473</u>	<u>615,824</u>	<u>818,911</u>

Foreign currency sensitivity

The sensitivity rate used when reporting foreign currency risk to key management personnel is 10%, which is the change in foreign exchange rate that the management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If the relevant foreign currencies weaken by 10% against the functional currency of the Company, the profit for the year will increase (decrease) by:

	<u>Singapore dollar impact</u>		<u>Australian dollar impact</u>		<u>Indonesian rupiah impact</u>	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit for the year	(27)	(49)	(2)	(2)	(3)	(4)

The impact would be vice versa if the relevant foreign currencies strengthen by 10% against the functional currency of the Company.

iv) Capital management policies and objective

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 2016.

v) Liquidity risk management

The Company has sufficient funds to finance its working capital.

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Liquidity risk analysis

As at March 31, 2017, the company has a major customer, Coastal Gujarat Power Limited ("CGPL") which is a fellow subsidiary. CGPL incurred losses, has net current liability position and also non-compliance of debt covenants during the financial year. These conditions has indicated the existence of a material uncertainty that may cast significant doubt about CGPL's ability to continue as a going concern. Notwithstanding the above, CGPL will be able to continue as a going concern with the support of its holding company, The Tata Power Company Limited. Management is confident that the continuing support from CGPL's holding company will be forthcoming and the Company will be able to discharge its obligations as and when they fall due within the next financial year.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for 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 <u>interest rate</u> %	On demand or within 1 year US\$	Within 2 to 5 years US\$	After 5 years US\$	Adjustments US\$	Total US\$
<u>2017</u>						
Non-interest bearing	-	2,706,024	-	-	-	2,706,024
Variable						
Interest rate	2.26	5,348,037	20,340,659	14,171,968	(3,780,119)	36,080,545
rate	2.30	2,180,369	8,273,961	1,957,151	(985,777)	11,425,704
Instruments	2.13	2,928,415	11,189,775	12,447,408	(2,721,475)	23,844,123
	2.90	4,155,942	15,795,933	31,589,772	(9,128,012)	42,413,635
Total		17,318,787	55,600,328	60,166,299	(16,615,383)	116,470,031
<u>2016</u>						
Non-interest bearing	-	8,655,688	-	-	-	8,655,688
Variable						
interest rate	1.90	5,309,232	20,352,688	18,962,729	(4,034,601)	40,590,048
rate	1.93	2,177,410	8,333,703	3,942,658	(1,117,725)	13,336,046
instruments	1.73	2,877,260	11,083,068	15,024,865	(2,746,910)	26,238,283
	2.59	1,146,159	8,760,625	14,468,054	(3,337,338)	21,037,500
Total		20,165,749	48,530,084	52,398,306	(11,236,574)	109,857,565

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Non-derivative financial assets

The following table details the expected maturity or liquidity of the financial assets. The inclusion of information on 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	Within 2 to 5 years	After 5 years	Adjustments	Total
	%	US\$	US\$	US\$	US\$	US\$
<u>2017</u>						
Non-interest bearing	-	32,943,108	-	-	-	32,943,108
Variable interest rate instruments	2.06	25,001,988	-	-	-	25,001,988
Fixed interest rate instruments	1.02	10,743,930	-	-	(9,735)	10,734,195
Total		68,689,026	-	-	(9,735)	68,679,291
<u>2016</u>						
Non-interest bearing	-	45,484,392	-	-	-	45,484,392
Variable interest rate instruments	2.47	25,654,484	-	-	-	25,654,484
Fixed interest rate instruments	0.51	5,502,398	-	-	(1,735)	5,500,663
Total		76,641,274	-	-	(1,735)	76,639,539

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Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash outflows on the derivative instrument that settle on a net basis and the undiscounted gross outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period.

	Average effective <u>interest rate</u> %	On Demand or within 1 year US\$	Within 2 to 5 years US\$	After 5 years US\$	Total US\$
<u>2017</u>					
Non-Interest bearing	-	-	1,047,962	-	1,047,962
<u>2016</u>					
Non-Interest bearing	-	-	1,990,032	-	1,990,032

vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade receivables and payables and other receivables and payables, approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

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The Company classifies fair value measurements using a fair value hierarchy that reflects the significant of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Liabilities measured at fair value

	2017	2016
	US\$	US\$
Level 2	<u>1,047,962</u>	<u>1,990,032</u>

The fair value of Level 2 derivative instruments were estimated based on discounted cash flows. Future cash flows are estimated based on the contracted premium payables and interest rate cap compared to the market interest rates, discounted at a rate that reflects the credit risk of the various counterparties. There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the period.

5. HOLDING COMPANY AND RELATED COMPANIES

The Company's immediate and ultimate holding company is The Tata Power Company Limited. Related companies in these financial statements refer to members of The Tata Power Company Limited'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.

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Significant intercompany transactions:

	2017	2016
	US\$	US\$
<u>Holding Company</u>		
Financial guarantee expense	(593,144)	(462,270)
<u>Fellow subsidiaries</u>		
Freight income	24,416,438	16,184,981
Compensation income	14,215,531	13,650,762
Interest income	226,795	378,040
Interest expense	(120,424)	-
Management service fee	685,401	1,419,968

6. OTHER RELATED PARTY TRANSACTIONS

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

	2017	2016
	US\$	US\$
Marketing commission from joint venture	12,349,235	4,629,678

Compensation of directors and key management personnel

The remuneration of directors during the year was as follows:

	2017	2016
	US\$	US\$
Short-term benefits	561,514	494,576
Post-employment benefits	2,238	11,887
	563,752	506,463

There are no key management personnel apart from the Company's directors.

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7. CASH AND CASH EQUIVALENTS

	2017	2016
	US\$	US\$
Cash in hand	481	665
Cash at bank	955,095	2,269,678
Fixed deposits	10,734,195	5,530,663
Cash and cash equivalents as shown in statement of cash flows	<u>11,689,771</u>	<u>7,801,006</u>

Fixed deposits comprise principally of interest-bearing time deposits held in banks with maturity dates of more than one day but less than three months. The average interest rate for the time deposits ranges from 0.40% to 1.20% (2016 : 0.20% to 0.65%) per annum.

8. TRADE RECEIVABLES

	Note	2017	2016
		US\$	US\$
Fellow subsidiary	5	25,408,588	26,745,131
Associate of ultimate holding company	6	2,155,367	10,386,657
Outside parties		9,005,610	105,442
		<u>36,569,565</u>	<u>37,237,230</u>

The carrying amount of trade receivables approximates its fair values.

The average credit period is 30 days (2016 : 30 days). Interest is charged on the trade receivables from fellow subsidiary at 2.06% per annum (2016 : 2.47% per annum) after the credit period of 183 days from the date of invoice. All outstanding balances are unsecured. There is no allowance for doubtful debt arising from the outstanding balance.

Before accepting any new customer, the Company will assess the potential customer's credit quality. Limits are monitored periodically by the management. At the end of the reporting period, the Company's trade receivables were due from seven (2016 : seven) customers representing 100% (2016 : 100%) of total trade receivables balance.

All of the trade receivables which are not past due and not impaired has been assessed by the management to be recoverable.

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Included in the trade receivables balance is an amount which is past due but not impaired amounting to US\$11,342,587 (2016 : US\$21,051,979) at the end of the reporting period. The Company does not hold any collateral over these balances. The average age of these receivables is between 1 day to 1461 days (2016 : 3 days to 1096 days). The Company has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered 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 are no allowances required.

On November 29, 2016, the Company signed a debt assumption deed with a third party, RWOOD Resources DMCC ("RWOOD"), a company incorporated in United Arab Emirates, where, RWOOD is obliged to undertake the outstanding balances due to the Company from a related party, PT Arutmin amounting to \$8,653,366. The management expects payment to be settled within the next 1 year. On this basis, the management has continued to classify the amount as current.

9. OTHER RECEIVABLES AND PREPAYMENTS

	Note	2017 US\$	2016 US\$
Deposits		62,093	44,544
Fellow subsidiaries	5	733,379	31,063,278
Loan to fellow subsidiary		19,600,000	-
Prepayments		130,257	351,590
Others		24,483	493,481
		<u>20,550,212</u>	<u>31,952,893</u>

Of the other receivables balance at the end of the year, US\$11,227 (2016 : US\$307,473) is past due but not impaired as there has not been a significant change in the credit quality of these receivables and amounts are still considered recoverable. There is no allowance for doubtful debt arising from the outstanding balance.

During the year, the Company received a consideration of US\$29,950,513 from a fellow subsidiary for the sale of Exergen Pty Ltd, Sunengy Pty Ltd, Geodynamics Ltd and OTP Geothermal Pte Ltd shares in 2013 and 2014.

Loan to a fellow subsidiary is unsecured and bears interest of London Interbank Offered Rate ("LIBOR") plus 1.2% with 5% mark up. The loan is repayable on April 30, 2017 however renewable on a monthly basis thereafter. The average effective interest rate was 2.2%.

The Company's other receivables and prepayments are non-trade in nature, unsecured, and interest-free.

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

10. NON-CURRENT ASSETS HELD FOR SALE

	2017	2016
	US\$	US\$
Investment in subsidiary	3,586,698	-

During the year, the Company entered into an agreement with RWood Resources Limited, a company incorporated in the Seychelles, to dispose its investment in subsidiary. Therefore, the investment has been classified as non-current assets held for sale and are presented separately in the statement of financial position.

11. INVESTMENT IN SUBSIDIARY

	2017	2016
	US\$	US\$
Quoted equity investment - at cost	3,586,698	3,586,698
Less: Impairment loss on investment in subsidiary	-	(3,586,698)
	3,586,698	-
Less: Transfer to non-current assets held for sale (Note 10)	(3,586,698)	-
	-	-

Quoted investment represents investment in the share capital in PT Sumber Energi Andalan Tbk (SEA) (formerly known as PT Itamaraya Tbk), a company listed in Indonesia.

The Company owns a total of 32,167,900 (2016 : 32,167,900) common shares representing 94.61% (2016 : 94.61%) of the paid up equity shares of SEA as at the end of the period. Since the Company is a majority shareholder, it has the power to appoint the President Director, the Directors, President Commissioner, and the Commissioners. Accordingly, SEA is controlled by the Company and its accounts are consolidated in the holding company's financial statements.

In 2013, PT Sumber Energi Andalan Tbk (SEA) stock trading was suspended from trading and the company fully impaired the cost of investment in SEA. On July 18, 2016, Indonesia Stock Exchange lifted the suspension of SEA stock trading. Accordingly, the Company has reversed the impairment loss on the investment in SEA to the original cost of investment in the current financial year.

During the year, the company entered into an agreement with RWood Resources Limited, a company incorporated in the Seychelles, to dispose its investment in subsidiary. Therefore, the investment has been classified as "non-current assets held for sale" and are presented separately in the statement of financial position.

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

Movement in impairment loss during the year:

	2017	2016
	US\$	US\$
Balance at beginning of the year	3,586,698	3,586,698
Less: Reversal in the current year	(3,586,698)	-
Balance at end of the year	-	3,586,698

12. INVESTMENTS IN JOINT VENTURES

	2017	2016
	US\$	US\$
Investments in joint ventures - at cost	789,065	789,065

The Company has the following interests in joint ventures:

- a. Interest in 7,500 (2016 : 7,500) common shares representing 30% equity shareholding with equivalent voting power, in PT Kalimantan Prima Power, a joint venture established in Indonesia. Although the Company holds less than 50% of the voting power in PT Kalimantan Prima Power, the Company exercises joint control over the entity by virtual of the provisions of the joint venture agreement entered into with the counterparty joint venturer. The investment amounts to US\$750,000 (2016 : US\$750,000).
- b. Interest in 750 (2016 : 750) common shares representing 3% direct equity shareholding with equivalent voting power, in PT Citra Prima Buana, established in Indonesia. The Company also has an indirect shareholding of 27% in PT Citra Prima Buana via its joint venture PT Kalimantan Prima Power, resulting in a 30% total shareholding interest in PT Citra Prima Buana. Although the Company holds less than 50% of the voting power in PT Citra Prima Buana, the Company exercises joint control over the entity by virtual of the provisions of the joint venture agreement entered into with the counterparty joint venturer. The investment is carried at cost at US\$7,813 (March 31, 2016 : US\$7,813).
- c. Interest in 3,000 (2016 : 3,000) common shares representing 3% direct equity shareholding with equivalent voting power, in PT Guruh Agung, established in Indonesia. The Company also has an indirect shareholding of 27% in PT Guruh Agung via its joint venture PT Kalimantan Prima Power, resulting in a 30% total shareholding interest in PT Guruh Agung, an associate. Although the Company holds less than 50% of the voting power in PT Guruh Agung, the Company exercises joint control over the entity by virtual of the provisions of the joint venture agreement entered into with the counterparty joint venturer. The investment is carried at cost at US\$31,252 (March 31, 2016 : US\$31,252).

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and fixtures	Tools and equipment	Vessels ⁽¹⁾	Dry docking	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Cost:						
As at April 1, 2015	-	1,244	61,086	188,901,676	2,268,757	191,232,763
Write-off	-	(1,244)	(20,147)	-	(2,268,757)	(2,290,148)
Additions	-	6,934	83,167	-	1,799,657	1,889,758
As at March 31, 2016	-	6,934	124,106	188,901,676	1,799,657	190,832,373
Write-off	-	(1,544)	(7,252)	-	-	(8,796)
Additions	34,917	1,424	183	53,277,548	1,100,000	54,414,072
As at March 31, 2017	34,917	6,814	117,037	242,179,224	2,899,657	245,237,649
Accumulated depreciation:						
As at April 1, 2015	-	1,064	25,149	30,417,107	1,700,091	32,143,411
Write-off	-	(1,243)	(20,148)	-	(2,268,757)	(2,290,148)
Depreciation for the year	-	1,693	40,620	7,945,112	718,639	8,706,064
As at March 31, 2016	-	1,514	45,621	38,362,219	149,973	38,559,327
Write-off	-	(474)	(7,252)	-	-	(7,726)
Depreciation for the year	2,910	2,430	39,723	8,198,931	515,764	8,759,758
As at March 31, 2017	2,910	3,470	78,092	46,561,150	665,737	47,311,359
Carrying amount:						
As at March 31, 2017	32,007	3,344	38,945	195,618,074	2,233,920	197,926,290
As at March 31, 2016	-	5,420	78,485	150,539,457	1,649,684	152,273,046

(1) Pledged against SCB and BoA bank loan (2016 : SCB and BoA bank loan).

14. PREPAYMENT FOR VESSEL

Prepayment for vessel represents the direct and related costs incurred towards construction and acquisition of vessel. The construction and acquisition of Trust Amity has been completed as at March 31, 2017.

The borrowing costs and other costs capitalised in cost of construction in progress are US\$Nil (2016 : US\$1,299,960) and US\$Nil (2016 : US\$143,920). Total 50% advance payment of US\$26,037,500 was made to the shipyard company as at March 31, 2016, with the remaining 50% of US\$26,037,500 paid in the current financial year.

The prepayment for vessel of US\$27,481,380 as at March 31, 2016 was re-classified to Property, Plant and Equipment, and total US\$54,377,548 was capitalised (Note 13).

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

15. TRADE PAYABLES

	<u>Note</u>	<u>2017</u> US\$	<u>2016</u> US\$
Holding company	5	153,876	273,222
Fellow subsidiary	5	1,108,172	164,598
Outside parties		636,105	457,468
		<u>1,898,153</u>	<u>895,288</u>

The average credit period on purchases of goods is 3 days (2016 : 3 days). No interest is charged on trade payables.

16. OTHER PAYABLES

	<u>Note</u>	<u>2017</u> US\$	<u>2016</u> US\$
Holding company	5	14,637	-
Fellow subsidiary	5	-	7,000,000
Accrued expenses		793,234	760,400
Deferred revenue		480,270	167,327
		<u>1,288,141</u>	<u>7,927,727</u>

The Company's other payables are non-trade in nature, unsecured, interest-free and are repayable within the next twelve months.

In 2013, the Company entered into a loan agreement with a related company for a loan of US\$7 million in relation to the Company's investments. The outstanding loan has been fully repaid in 2017.

17. BANK LOANS

	<u>2017</u> US\$	<u>2016</u> US\$
Secured bank loan - at amortised cost	113,764,007	101,201,877
Less: Amount due for settlement within 12 months (disclosed under current liabilities)	(11,731,754)	(8,814,005)
Amount due for settlement after 12 months	<u>102,032,253</u>	<u>92,387,872</u>

The carrying amount of bank loan approximates its fair value based on management's best estimate.

The bank loans are secured by:

- (i) The holding company has issued a corporate guarantee to SCB and BoA for an amount of US\$45 million and US\$96.35 million (2016 : US\$45 million and US\$70.25 million) respectively as specified in the loan agreements.
- (ii) Security over: 1) Mortgage over the vessels; 2) Assignment of all insurances; 3) Assignment of the Ship Management and Crew Management Contract; 4) Assignment of charter contracts/contracts of affreightment.

TRUST ENERGY RESOURCES PTE. LTD.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2017

The Company has the following borrowing arrangements:

Long term loan from Standard Chartered Bank (SCB)

In the last financial year, the Company refinanced its cape size dry bulk carriers called MV Trust Integrity with a principal balance of US\$42.25 million in two tranches. The Company has repaid US\$7.74 million (2016 : US\$2.18 million) including interest thereon. The interest is computed for the actual number of days at a floating rate of 3 month LIBOR plus 1.6% and 1.3% per annum for two tranches respectively (basis 360 days). As at March 31, 2017, bank loan amounting to US\$35,269,827 (2016 : US\$39,574,327) comprises of outstanding loan principal of US\$35,710,111 (2016 : US\$40,070,179) and prepaid upfront fees of US\$440,284 (2016 : US\$495,852).

Long term loan from Bank of America (BoA):

(a) In 2016, the Company refinanced its cape size dry bulk carriers called MV Trust Agility with a principal balance of US\$43.28 million that was payable to ICICI Bank. The Company has repaid US\$8.11 million (2016 : US\$2.28 million) including interest thereon. The interest is computed for the actual number of days at a floating rate of 3 month LIBOR plus 1.44% per annum (basis 360 days). As at March 31, 2017, bank loan amounting to US\$36,080,545 (2016 : US\$40,590,050) comprises outstanding loan principal of US\$36,451,333 (2016 : US\$41,007,749) and prepaid upfront fees of US\$370,788 (2016 : US\$417,699).

(b) In 2017, there was a loan of amount US\$44.26 million (2016 : US\$21.0 million), with a tenure of 12 years from 14 July 2016 to finance MV Trust Amity. The Company has repaid US\$2.42 million (2016 : US\$Nil) including interest thereon. The interest is computed for the actual number of days at a floating rate of 3 month LIBOR plus 1.90% per annum (basis 360 days). As at March 31, 2017, bank loan amounting to US\$42,413,635 (2016 : US\$21,037,500) comprises outstanding loan principal of US\$42,788,292 (2016 : US\$21,037,500) and prepaid upfront fees of US\$374,657 (2016 : US\$Nil).

Derivative agreement from ICICI Bank:

The Company entered into a derivative agreement on January 4, 2011 as this was mandated in the facility agreement. Under the terms of the agreement, the Company had capped the interest at the strike rate of 2.5% with quarterly payment of premium at the rate of 1.21% p.a. This arrangement has been effective from the date the vessels have been delivered. The management has obtained the valuation of this derivative instrument from the ICICI bank and consequently accounted for a gain of US\$942,070 (2016 : US\$860,625) in the profit or loss. As at the end of the reporting period, the carrying amount of the derivative instrument is a liability of US\$1,047,962 (2016 : US\$1,990,032).

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

18. SHARE CAPITAL

	2017	2016	2017	2016
	Number of ordinary shares		US\$	US\$
<u>Issued and fully paid:</u>				
At beginning and end of year	129,153,344	129,153,344	129,153,344	129,153,344

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.

19. OTHER OPERATING INCOME

	Note	2017	2016
		US\$	US\$
Commission income	6	12,349,235	4,629,678
Interest income		258,403	401,680
Management service fee		897,983	1,597,100
Reversal of impairment loss of investment in subsidiary		3,586,698	-
Others		321,760	220,247
		<u>17,414,079</u>	<u>6,848,705</u>

20. OPERATING EXPENSES

	2017	2016
	US\$	US\$
Professional fees	274,838	257,586
Rental expenses	140,419	185,964
Others	274,697	232,999
	<u>689,954</u>	<u>676,549</u>

21. FINANCE COSTS

	Note	2017	2016
		US\$	US\$
Interest on borrowings		3,962,646	5,149,496
Other finance charges		593,144	462,270
		4,555,790	5,611,766
Fair value gain on interest cap	17	(942,070)	(860,625)
		<u>3,613,720</u>	<u>4,751,141</u>

TRUST ENERGY RESOURCES PTE. LTD.**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017****22. PROFIT BEFORE TAX**

Profit before tax is arrived after charging:

	2017	2016
	US\$	US\$
Staff defined contribution plan	<u>101,799</u>	<u>104,927</u>

23. INCOME TAX EXPENSE

	2017	2016
	US\$	US\$
Tax expense comprises:		
Current tax expense	2,054,608	739,823
Withholding tax	4,678	71,138
Underprovision in prior years	10,165	21,034
	<u>2,069,451</u>	<u>831,995</u>

Domestic income tax is calculated at 17% (2016 : 17%) of the estimated assessable profit for the financial year.

The total charge for the year can be reconciled to the accounting profit as follows:

	2017	2016
	US\$	US\$
Profit before tax	<u>30,387,839</u>	<u>11,991,897</u>
Tax expense at the statutory rate	5,165,933	2,038,621
Effect of items that are tax exempt	(3,117,599)	(1,298,806)
Effect of non-deductible items	(921)	(327)
Withholding tax	4,678	71,138
Others	7,195	335
Underprovision in prior years	10,165	21,034
	<u>2,069,451</u>	<u>831,995</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.

TRUST ENERGY RESOURCES PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

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, 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.

24. OPERATING LEASE ARRANGEMENTS

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Minimum lease payments under operating leases recognised as an expense in the year	<u>140,419</u>	<u>185,964</u>

At the end of the reporting period, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Within one year	265,060	145,978
In the second to fifth years inclusive	<u>456,017</u>	<u>-</u>

Operating lease payments represent rentals payable by the Company for its office properties. Leases are negotiated for an average term of 3 years (2016 : 2 years).

TRUST ENERGY RESOURCES PTE. LTD.
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

	As at March, 2017	Exchange Rate	Amount ₹	As at March, 2016	Exchange Rate	Amount ₹
	USD			USD		
ASSETS						
Current assets						
Cash and cash equivalents	116,89,771	64.85	7580,81,649	78,01,006	66.25	5167,97,145
Trade receivables	365,69,565	64.85	23715,36,290	372,37,230	66.25	24668,73,394
Other receivables and prepayments	205,50,212	64.85	13326,81,248	319,52,893	66.25	21167,99,279
	<u>688,09,548</u>	64.85	<u>44622,99,187</u>	<u>769,91,129</u>	66.25	<u>51004,69,818</u>
Non-current assets held for sale	35,86,698	64.85	2325,97,365	-	66.25	-
Total current assets	<u>723,96,246</u>	64.85	<u>46948,96,552</u>	<u>769,91,129</u>	66.25	<u>51004,69,818</u>
Non-current assets						
Investment in subsidiary	-	64.85	-	-	66.25	-
Investments in joint ventures	7,89,065	64.85	511,70,865	7,89,065	66.25	522,73,584
Property, plant and equipment	1979,26,290	64.85	128355,19,907	1522,73,046	66.25	100877,08,615
Prepayment for vessel	-	64.85	-	274,81,380	66.25	18205,72,722
Total current assets	<u>1987,15,355</u>	64.85	<u>128866,90,772</u>	<u>1805,43,491</u>	66.25	<u>119605,54,921</u>
TOTAL ASSETS	<u>2711,11,601</u>	64.85	<u>175815,87,324</u>	<u>2575,34,620</u>	66.25	<u>170610,24,739</u>
LIABILITIES AND EQUITY						
Current liabilities						
Trade payables	18,98,153	64.85	1230,95,222	8,95,288	66.25	593,10,592
Other payables	12,88,141	64.85	835,35,944	79,27,727	66.25	5251,92,094
Current portion of bank loans	117,31,754	64.85	7608,04,247	88,14,005	66.25	5839,05,796
Income tax payable	20,15,077	64.85	1306,77,743	7,39,823	66.25	490,11,424
Total current liabilities	<u>169,33,125</u>	64.85	<u>10981,13,156</u>	<u>183,76,843</u>	66.25	<u>12174,19,906</u>
Non-current liabilities						
Derivative financial instruments	10,47,962	64.85	679,60,336	19,90,032	66.25	1318,34,645
Non-current portion of bank loans	1020,32,253	64.85	66167,91,607	923,87,872	66.25	61204,65,550
Total non-current liabilities	<u>1030,80,215</u>	64.85	<u>66847,51,943</u>	<u>943,77,904</u>	66.25	<u>62523,00,195</u>
Capital and reserves						
Share capital	1291,53,344	46.37	59890,14,205	1291,53,344	46.37	59890,14,205
Accumulated profits	219,44,917	85.31	18722,13,249	156,26,529	90.39	14124,88,125
Exchange Difference	-		19374,94,771	-		21898,02,308
	<u>1510,98,261</u>	64.85	<u>97987,22,225</u>	<u>1447,79,873</u>	66.25	<u>95913,04,638</u>
TOTAL LIABILITIES AND EQUITY	<u>2711,11,601</u>	64.85	<u>175815,87,324</u>	<u>2575,34,620</u>	66.25	<u>170610,24,739</u>

TRUST ENERGY RESOURCES PTE. LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2017

	Year ended March, 2017	Exchange Rate	Amount ₹	Year ended March, 2016	Exchange Rate	Amount ₹
	USD			USD		
Continuing operations						
Freight income	244,16,438	67.09	16380,89,059	161,84,981	65.46	10594,86,660
Other Vessels operating income	332,15,078	67.09	22283,86,297	247,77,398	65.46	16219,55,728
Other operating income	174,14,079	67.09	11683,03,594	68,48,705	65.46	4483,23,763
Exchange gain/(loss)	(10,383)	67.09	(6,96,591)	2,837	65.46	1,85,713
Freight expense	(248,66,227)	67.09	(16682,65,223)	(157,46,836)	65.46	(10308,05,206)
Vessel running costs	(53,13,513)	67.09	(3564,81,462)	(41,60,643)	65.46	(2723,60,267)
Staff and related costs	(14,04,201)	67.09	(942,07,283)	(17,80,791)	65.46	(1165,72,538)
Operating expenses	(6,89,954)	67.09	(462,88,738)	(6,76,549)	65.46	(442,87,642)
Depreciation expenses	(87,59,758)	67.09	(5876,88,660)	(87,06,064)	65.46	(5699,08,526)
Finance Cost	(36,13,720)	67.09	(2424,43,029)	(47,51,141)	65.46	(3110,14,916)
Profit before income tax	303,87,839	67.09	20387,07,964	119,91,897	65.46	7850,02,769
Income tax expenses	(20,69,451)	67.09	(1388,38,640)	(8,31,995)	65.46	(544,63,308)
Total Profit for the year, representing total comprehensive income for the year	283,18,388	67.09	18998,69,324	111,59,902	65.46	7305,39,461

TRUST ENERGY RESOURCES PTE. LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital	Exchange Rate	Amount	Accumulated losses	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹
Balance as at April 1, 2015	1291,53,344	46.37	59890,14,205	44,66,627	152.68	6819,48,664	1336,19,971	49.92	66709,62,869
Profit for the year, representing total comprehensive income for the year				111,59,902	65.46	7305,39,461	111,59,902	65.46	7305,39,461
Balance as at March 31, 2016	<u>1291,53,344</u>	46.37	<u>59890,14,205</u>	<u>156,26,529</u>	90.39	<u>14124,88,125</u>	<u>1447,79,873</u>	51.12	<u>74015,02,330</u>
Dividend paid during the year				(220,00,000)	65.46	(14401,44,200)	(220,00,000)	65.46	(14401,44,200)
Profit for the year, representing total comprehensive income for the year				283,18,388	67.09	18998,69,324	283,18,388	67.09	18998,69,324
Balance as at March 31, 2017	<u>1291,53,344</u>	46.37	<u>59890,14,205</u>	<u>219,44,917</u>	85.31	<u>18722,13,249</u>	<u>1510,98,261</u>	52.03	<u>78612,27,454</u>

TRUST ENERGY RESOURCES PTE. LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Year ended March, 2017	Exchange Rate	Amount ₹	Year ended March, 2016	Exchange Rate	Amount ₹
	USD			USD		
Operating activities						
Profit before tax	303,87,839	67.09	20387,07,964	119,91,897	65.46	7850,02,769
Adjustment for:						
Depreciation expense	87,59,758	67.09	5876,88,660	87,06,064	65.46	5699,08,526
Interest expense	45,55,790	67.09	3056,46,129	56,11,766	65.46	3673,52,375
Interest income	(2,58,403)	67.09	(173,36,154)	(4,01,680)	65.46	(262,94,415)
Fair value gain/loss on interest cap	(9,42,070)	67.09	(632,03,099)	(8,60,625)	65.46	(563,37,459)
Reversal of impairment loss of subsidiary	(35,86,698)	67.09	(2406,30,134)	-	65.46	-
Cash flows before changes in working capital	389,16,216	67.09	26108,73,366	250,47,422	65.46	16396,31,796
Trade receivables	7,02,838	67.09	471,53,120	(71,60,287)	65.46	(4687,20,263)
Other receivables and prepayments	12,43,790	67.09	834,45,374	10,84,626	65.46	710,00,811
Trade payables	10,02,865	67.09	672,81,812	2,45,314	65.46	160,58,524
Other payables	(18,02,625)	67.09	(1209,37,390)	(35,31,229)	65.46	(2311,58,135)
Cash generated from operations	400,63,084	67.09	26878,16,282	156,85,846	65.46	10268,12,733
Interest received	31,608	67.09	21,20,568	22,977	65.46	15,04,100
Interest paid	(26,64,929)	67.09	(1787,89,021)	(36,67,265)	65.46	(2400,63,201)
Income taxes paid	(7,94,197)	67.09	(532,82,359)	(1,78,819)	65.46	(117,05,688)
Net cash from operating activities	366,35,566	67.09	24578,65,470	118,62,739	65.46	7765,47,944
Investing activities						
Purchase of property, plant and equipment	(36,524)	67.09	(24,50,381)	(90,101)	65.46	(58,98,111)
Loan to fellow subsidiary	(196,00,000)	67.09	(13149,56,160)	-	65.46	-
Payment towards Dry Docking	(11,00,000)	67.09	(737,98,560)	(17,99,657)	65.46	(1178,07,527)
Payment towards construction of vessels	(257,96,168)	67.09	(17306,54,593)	(104,15,000)	65.46	(6817,77,357)
Proceeds from disposal of JV/Associates	299,50,513	67.09	20093,67,937	-	65.46	-
Proceeds from disposal of fixed assets	1,070	67.09	71,786	-	65.46	-
Net cash used in investing activities	(165,81,109)	67.09	(11124,19,971)	(123,04,758)	65.46	(8054,82,995)
Financing activities						
Proceeds from borrowings	232,26,250	67.09	15582,39,822	210,37,500	65.46	13771,37,891
Repayment of borrowings from bank	(103,91,942)	67.09	(6971,91,232)	(201,77,905)	65.46	(13208,67,857)
Withdrawal of term deposit	-	67.09	-	20,05,750	65.46	1312,98,601
Repayment of borrowings to fellow subsidiary	(70,00,000)	67.09	(4696,27,200)	-	65.46	-
Dividend paid to Shareholders	(220,00,000)	67.09	(14759,71,200)	-	65.46	-
Net cash (used in) from financing activities	(161,65,692)	67.09	(10845,49,810)	28,65,345	65.46	1875,68,635
Net increase in cash and cash equivalents	38,88,765	67.09	2608,95,689	24,23,326	65.46	1586,33,584
Cash and cash equivalents at the beginning of the year	78,01,006	66.25	5167,97,145	53,77,680	62.50	3360,91,556
Effect of exchange fluctuation on cash and cash equivalents	-		(196,11,185)	-		220,72,005
Cash and cash equivalents at the end of the year	116,89,771	64.85	7580,81,649	78,01,006	66.25	5167,97,145