

Company Registration No. 200802690C

Trust Energy Resources Pte. Ltd.

Annual Financial Statements
31 March 2018



Trust Energy Resources Pte. Ltd.

Index

	Page
Directors' statement	1
Independent auditor's report	3
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10

Trust Energy Resources Pte. Ltd.

Directors' Statement

The directors are pleased to present their statement to the member together with the audited financial statements of Trust Energy Resources Pte. Ltd. (the "Company") for the financial year ended 31 March 2018.

Opinion of the directors

In the opinion of the directors,

- (i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Kottamasu Venkateswara Rao
Sagi Satyanarayana Varma
Sanjay Dube (Appointed on 27 June 2018)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

According to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Trust Energy Resources Pte. Ltd.

Directors' Statement

Auditor

Ernst and Young LLP have expressed their willingness to accept appointment as auditor.

On behalf of the board of directors,



Sagi Satyanarayana Varma
Director



Kottamasu Venkateswara Rao
Director

Singapore
18 July 2018

Trust Energy Resources Pte. Ltd.

**Independent Auditor's Report
For the financial year ended 31 March 2018**

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 financial statements of Trust Energy Resources Pte. Ltd. (the "Company"), which comprise the balance sheet as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements 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 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for other information. The other information comprises the directors' statement set out on pages 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.

Other matter

The financial statements of Trust Energy Resources Pte. Ltd. for the year ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 23 June 2017.

Trust Energy Resources Pte. Ltd.

**Independent Auditor's Report
For the financial year ended 31 March 2018**

Independent auditor's report to the member 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Trust Energy Resources Pte. Ltd.

Independent Auditor's Report
For the financial year ended 31 March 2018

Independent auditor's report to the member of Trust Energy Resources Pte. Ltd.

Auditor's responsibilities for the audit of the financial statements (cont'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.
- 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 provision of the Act.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

18 July 2018

Trust Energy Resources Pte. Ltd.

Statement of comprehensive income
For the financial year ended 31 March 2018

	Note	2018 US\$	2017 US\$
Coal sales		25,789,635	–
Freight income		40,730,472	24,416,438
Vessels operating income		26,353,330	33,215,078
Other operating income	4	20,040,111	17,414,079
Exchange losses		(64,247)	(10,383)
Coal purchases		(25,319,536)	–
Freight expenses		(31,687,306)	(24,866,227)
Vessel running costs		(6,406,161)	(5,313,513)
Staff and related costs		(1,253,560)	(1,404,201)
Operating expenses	5	(667,222)	(689,954)
Depreciation expenses	10	(9,319,455)	(8,759,758)
Finance costs	6	(4,190,052)	(3,613,720)
Profit before income tax	7	34,006,009	30,387,839
Income tax expense	8	(2,902,527)	(2,069,451)
Profit for the year, representing total comprehensive income for the year attributable to the owner of the Company		31,103,482	28,318,388

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Trust Energy Resources Pte. Ltd.

Balance sheet
As at 31 March 2018

	Note	2018 US\$	2017 US\$
Assets			
Non-current assets			
Property, plant and equipment	10	188,110,840	197,926,290
Investment in joint ventures	11	789,065	789,065
		<u>188,899,905</u>	<u>198,715,355</u>
Non-current assets held for sale	15	3,506,652	3,586,698
Current assets			
Trade receivables	12	59,464,861	36,569,565
Other receivables and prepayments	13	29,355,383	20,550,212
Cash and cash equivalents	14	20,641,983	11,689,771
		<u>109,462,227</u>	<u>68,809,548</u>
Total assets		<u><u>301,868,784</u></u>	<u><u>271,111,601</u></u>
Equity and liabilities			
Current liabilities			
Trade payables	16	26,168,941	1,898,153
Other payables	17	1,544,933	1,288,141
Current portion of bank loans	19	11,731,754	11,731,754
Income tax payable		2,637,727	2,015,077
Derivative financial instruments	20	283,188	–
		<u>42,366,543</u>	<u>16,933,125</u>
Net current liabilities		<u>67,095,684</u>	<u>51,876,423</u>
Non-current liabilities			
Derivative financial instruments	20	–	1,047,962
Non-current portion of bank loans	19	90,300,498	102,032,253
		<u>90,300,498</u>	<u>103,080,215</u>
Total liabilities		<u><u>132,667,041</u></u>	<u><u>120,013,340</u></u>
Net assets		<u><u>169,201,743</u></u>	<u><u>151,098,261</u></u>
Equity attributable to the owner of the Company			
Share capital	18	129,153,344	129,153,344
Accumulated profits		40,048,399	21,944,917
Total equity		<u><u>169,201,743</u></u>	<u><u>151,098,261</u></u>
Total equity and liabilities		<u><u>301,868,784</u></u>	<u><u>271,111,601</u></u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Trust Energy Resources Pte. Ltd.

Statement of changes in equity
For the financial year ended 31 March 2018

	Note	Share capital US\$	Accumulated profits US\$	Total equity US\$
Balance at 1 April 2016		129,153,344	15,626,529	144,779,873
Profit for the year, representing total comprehensive income for the year		–	28,318,388	28,318,388
Dividend paid, representing transactions with owner recognised directly in equity	24	–	(22,000,000)	(22,000,000)
Closing balance at 31 March 2017 and 1 April 2017		129,153,344	21,944,917	151,098,261
Profit for the year, representing total comprehensive income for the year		–	31,103,482	31,103,482
Dividend paid, representing transactions with owner recognised directly in equity	24	–	(13,000,000)	(13,000,000)
Closing balance at 31 March 2018		129,153,344	40,048,399	169,201,743

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Trust Energy Resources Pte. Ltd.

Statement of cash flows
For the financial year ended 31 March 2018

	Note	2018 US\$	2017 US\$
Operating activities			
Profit before income tax		34,006,009	30,387,839
Adjustments for:			
Depreciation of property, plant and equipment	10	9,319,455	8,759,758
Interest expense	6	4,954,826	4,555,790
Interest income	4	(751,468)	(258,403)
Fair value gain on interest cap	6	(764,774)	(942,070)
Dividend income	4	(953,109)	–
Gain on disposal of assets held-for-sale	4	(3,350,977)	–
Reversal of impairment loss on investment in subsidiary	4	–	(3,586,698)
Operating cash flows before changes in working capital		42,459,962	38,916,216
Changes in working capital:			
Trade receivables		(19,436,628)	702,838
Other receivables and prepayments		(3,505,171)	1,243,790
Trade payables		24,270,788	1,002,865
Other payables		(332,957)	(1,802,625)
Cash flows from operations		43,455,994	40,063,084
Interest received		723,823	31,608
Interest paid		(4,229,430)	(2,664,929)
Income taxes paid		(2,279,877)	(794,197)
Net cash flows generated from operating activities		37,670,510	36,635,566
Investing activities			
Purchase of property, plant and equipment		(7,840)	(36,524)
Loan to fellow subsidiary		(5,300,000)	(19,600,000)
Payment towards dry docking		–	(1,100,000)
Payment towards construction of vessels		–	(25,796,168)
Dividend received from subsidiary		953,109	–
Proceeds from disposal of joint venture/associate		–	29,950,513
Proceeds from disposal of property, plant and equipment		503,835	1,070
Net cash flows used in investing activities		(3,850,896)	(16,581,109)
Financing activities			
Proceeds from borrowings from bank		–	23,226,250
Repayment of borrowings from bank		(11,867,402)	(10,391,942)
Repayment of loan to fellow subsidiary		–	(7,000,000)
Dividends paid		(13,000,000)	(22,000,000)
Net cash flows used in financing activities		(24,867,402)	(16,165,692)
Net increase in cash and cash equivalents		8,952,212	3,888,765
Cash and cash equivalents at beginning of the year		11,689,771	7,801,006
Cash and cash equivalents at end of the year	14	20,641,983	11,689,771

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1. Corporation information

Trust Energy Resources Pte. Ltd. (the "Company") is a private limited company incorporated and domiciled in Singapore. The immediate and ultimate holding company is The Tata Power Company Ltd, incorporated in India.

The registered office and principal place of business of the Company is located at 78 Shenton Way, #17-01/02 Singapore 079120.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("US\$"), which is the functional currency of the Company.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 102: <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 40: <i>Transfers of Investment Property</i>	1 January 2018
Amendments to FRS 101: <i>First-time Adoption of Financial Reporting Standards</i>	1 January 2018
Amendments to FRS 28: <i>Investments in Associates and Joint Ventures</i>	1 January 2018

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to FRS 104: <i>Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Company to make changes to its current systems and processes.

The Company plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Company has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Company adopts FRS 109 in 2018.

(a) Classification and measurement

The Company intends to hold its financial assets to collect contractual cash flows, and accordingly measured at amortised cost when it applies FRS 109. The Company does not expect any significant impact to arise from these changes.

(b) Impairment

FRS 109 requires the Company to record expected credit losses on all of its trade and other receivables, either on a 12-month or lifetime basis. The Company expects to apply the simplified approach and record lifetime expected losses on all trade and other receivables. Upon application of the expected credit loss model, the Company expects that due to unsecured nature of its loans and receivables, the allowance for doubtful debt would increase.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Company has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. Based on the preliminary assessment, The Company does not expect any significant impact to the financial positions and performance arising from these standards. This assessment may be subject to changes arising from ongoing analysis until the Company adopts FRS 115 in 2018.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company has performed a preliminary impact assessment of the adoption of FRS 116 and expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

2.4 Foreign currency

The Company's financial statements are presented in United States Dollars ("US\$"), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.5 Consolidation

In accordance with Singapore Financial Reporting Standard No. 110 and Section 201(3BA) of the Companies Act, Chapter 50, the Company need not prepare consolidated financial statements. The financial statements of the joint ventures have not been consolidated or equity accounted with the Company's financial statements as the Company itself is a wholly-owned subsidiary of another company. Consolidated financial statements are prepared by the ultimate holding company, The Tata Power Company Ltd, incorporated in India, on a worldwide basis and such financial statements are publicly available. The registered address of The Tata Power Company Ltd is located at Bombay House, 24 Homi Mody Street, Mumbai 400001, India.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	3 years
Furniture and fixtures	3 years
Tools and equipment	3 years
Dry-docking	5 years
Vessels	25 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2. Summary of significant accounting policies (cont'd)

2.7 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation method is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 *Joint venture*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

In the Company's financial statements, investment in joint ventures are accounted for at cost less impairment losses.

2. Summary of significant accounting policies (cont'd)

2.9 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loan and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. **Summary of significant accounting policies (cont'd)**

2.9 ***Financial instruments (cont'd)***

(a) *Financial assets (cont'd)*

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.10 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.10 Impairment of financial assets (cont'd)

(b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.12 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange risk, including forward foreign exchange 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.

2. Summary of significant accounting policies (cont'd)

2.13 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 an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 Employee benefits

(a) Defined contribution plan

The Company makes contributions to the Central Provident Fund scheme in Singapore. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) 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.

2. Summary of significant accounting policies (cont'd)

2.17 Leases

As lessee

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

2.18 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Company is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.19 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) *Freight revenue*

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

(b) *Charter revenue*

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

(c) *Compensation income*

Compensation income relates to reimbursement of the loss of profit due to the counterparty'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.

(d) *Commission income*

Commission income is recognised when services are rendered.

2. Summary of significant accounting policies (cont'd)

2.19 Revenue (cont'd)

(e) 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.

(f) Sales of goods

Revenue from the sale of goods is recognised when the Company has transferred significant risks and rewards of ownership of the goods to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue and cost incurred or to be incurred can be measured reliably.

2.20 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd)

2.20 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the 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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2.21 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Summary of significant accounting policies (cont'd)

2.22 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of receivables

The Company assesses at the end of each reporting period whether there is any objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such allowances are adjusted periodically to reflect the actual and past experiences. The carrying amount of the Company's loans and receivables at the end of the reporting period is disclosed in Note 13 to the financial statements.

3. Significant accounting judgements and estimates (cont'd)**3.2 Key sources of estimation uncertainty (cont'd)***(b) 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\$204,500,000 (2017: US\$217,000,000). 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% (2017: 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\$188,075,484 (2017: US\$197,851,994) (Note 10).

4. Other operating income

	2018	2017
	US\$	US\$
Commission income	14,081,199	12,349,235
Interest income	751,468	258,403
Gain on disposal of assets held-for-sale	3,350,977	–
Dividend income	953,109	–
Management service fee	510,250	897,983
Reversal of impairment loss of investment in subsidiary	–	3,586,698
Others	393,108	321,760
	<u>20,040,111</u>	<u>17,414,079</u>

5. Operating expenses

	2018	2017
	US\$	US\$
Professional fees	166,008	274,838
Rental expenses	87,358	140,419
Others	413,856	274,697
	<u>667,222</u>	<u>689,954</u>

Trust Energy Resources Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 March 2018

6. Finance costs

	2018	2017
	US\$	US\$
Interest on borrowings	4,364,110	3,962,646
Other finance charges	590,716	593,144
	<hr/>	<hr/>
Fair value gain on interest cap	4,954,826 (764,774)	4,555,790 (942,070)
	<hr/>	<hr/>
	4,190,052	3,613,720

7. Profit before income tax

The following items have been included in arriving at profit before income tax:

	2018	2017
	US\$	US\$
Staff defined contribution plan	110,549	101,799

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2018 and 2017 are as follows:

	2018	2017
	US\$	US\$
Statement of comprehensive income:		
Current income tax	2,524,605	2,054,608
Withholding tax	100,509	4,678
Under provision in previous years	277,413	10,165
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	2,902,527	2,069,451

Trust Energy Resources Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 March 2018

8. Income tax expense (cont'd)

Relationship between tax expense and profit before income tax

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2018 and 2017 are as follows:

	2018 US\$	2017 US\$
Profit before income tax	34,006,009	30,387,839
Tax at the applicable tax rate of 17% (2017: 17%)	5,781,022	5,165,933
Adjustments:		
Non-deductible expenses	(7,555)	(921)
Income not subject to taxation	(3,370,810)	(3,117,599)
Under provision in previous years	277,413	10,165
Withholding tax	100,509	4,678
Others	121,948	7,195
Income tax expense recognised in profit or loss	2,902,527	2,069,451

With effect from 1 August 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.

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 31 July 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.

9. Related party transactions

(a) *Sales and purchases of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties, took place on terms agreed between the parties during the financial year:

	2018	2017
	US\$	US\$
<i>Holding company</i>		
- Financial guarantee expense	(590,716)	(593,144)
<i>Fellow subsidiaries</i>		
- Freight income	40,730,472	24,416,438
- Compensation income	3,431,848	14,215,531
- Interest income	612,494	226,795
- Management service fees	510,250	685,401
- Dividend income	953,109	-
- Interest expenses	-	(120,424)
Marketing commission from joint venture	14,081,199	12,349,235

(b) *Compensation of key management personnel*

	2018	2017
	US\$	US\$
Short-term benefits	442,464	561,514
Post-employment benefits	-	2,238
	442,464	563,752

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

Trust Energy Resources Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 March 2018

10. Property, plant and equipment

	Leasehold improvements US\$	Furniture and fixtures US\$	Tools and equipment US\$	Vessels ⁽¹⁾ US\$	Dry docking US\$	Total US\$
Cost:						
As at 1 April 2016	–	6,934	124,106	188,901,676	1,799,657	190,832,373
Additions	34,917	1,424	183	53,277,548	1,100,000	54,414,072
Disposals	–	(1,544)	(7,252)	–	–	(8,796)
As at 31 March 2017 and 1 April 2017	34,917	6,814	117,037	242,179,224	2,899,657	245,237,649
Additions	–	–	7,840	–	–	7,840
Disposals	–	–	(27,775)	(503,835)	–	(531,610)
As at 31 March 2018	34,917	6,814	97,102	241,675,389	2,899,657	244,713,879
Accumulated depreciation:						
As at 1 April 2016	–	1,514	45,621	38,362,219	149,973	38,559,327
Depreciation	2,910	2,430	39,723	8,198,931	515,764	8,759,758
Disposals	–	(474)	(7,252)	–	–	(7,726)
As at 31 March 2017 and 1 April 2017	2,910	3,470	78,092	46,561,150	665,737	47,311,359
Depreciation	11,639	2,167	32,974	8,692,747	579,928	9,319,455
Disposals	–	–	(27,775)	–	–	(27,775)
As at 31 March 2018	14,549	5,637	83,291	55,253,897	1,245,665	56,603,039
Net carrying amount:						
As at 31 March 2017	32,007	3,344	38,945	195,618,074	2,233,920	197,926,290
As at 31 March 2018	20,368	1,177	13,811	186,421,492	1,653,992	188,110,840

(1) Pledged against Standard Chartered Bank and Bank of America bank loan (2017: SCB and BOA bank loan)

Trust Energy Resources Pte. Ltd.

**Notes to the financial statements
For the financial year ended 31 March 2018**

11. Investment in joint ventures

	2018	2017
	US\$	US\$
Unquoted equity shares, at cost	789,065	789,065
Movement in impairment loss:		
	2018	2017
	US\$	US\$
Balance at beginning of the year	–	3,586,698
Less: Reversal in the current year	–	(3,586,698)
Balance at end of the year	–	–

Details of the joint ventures are as follows:

Company	Country of incorporation	Cost of investment		Proportion of ownership interest	
		2018 US\$	2017 US\$	2018 %	2017 %
PT Kalimantan Prima Power ("KAP Y.Santosa dan Rekan ") ⁽¹⁾	Indonesia	750,000	750,000	30	30
PT Citra Prima Buana ("KAP Y.Santosa dan Rekan") ⁽¹⁾	Indonesia	7,813	7,813	3	3
PT Guruh Agung ("KAP Y.Santosa dan Rekan ") ⁽¹⁾	Indonesia	31,252	31,252	3	3

⁽¹⁾ Audited by KAP Y.Santosa dan Rekan

Trust Energy Resources Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 March 2018

12. Trade receivables

	2018	2017
	US\$	US\$
Fellow subsidiary	30,009,793	25,408,588
Associate of ultimate holding company	3,363,520	2,155,367
Third parties	26,091,548	9,005,610
Total trade receivables	59,464,861	36,569,565

Trade receivables

These are non-interest bearing and are normally settled on 30 to 90 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

Included in the Company's trade receivable balance are debtors with a carrying amount of US\$7,839,526 (2017: US\$11,342,587) which are past due at the end of the reporting period for which 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. The Company does not hold any collateral over these balances. The aging profile of these receivables is as follows:

	2018	2017
	US\$	US\$
<i>Trade receivables past due but not impaired:</i>		
1 to 30 days	—	—
31 to 60 days	—	887,392
More than 60 days	7,839,526	10,455,195
	7,839,526	11,342,587

Trade receivables are denominated in the functional currency of the Company.

Trust Energy Resources Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 March 2018

13. Other receivables and prepayments

	2018 US\$	2017 US\$
Deposits	42,362	62,093
Fellow subsidiaries	566,874	733,379
Loan to fellow subsidiary	24,900,000	19,600,000
Prepayments	382,516	130,257
Receivable from sale of shares of subsidiary	3,431,023	–
Others	32,608	24,483
	<hr/>	<hr/>
	29,355,383	20,550,212
Add:		
Trade receivables (Note 12)	59,464,861	36,569,565
Cash and cash equivalents (Note 14)	20,641,983	11,689,771
Less: Prepayments	(382,516)	(130,257)
	<hr/>	<hr/>
Total loans and other receivables	109,079,711	68,679,291

Of the other receivables balance at the end of the year, US\$3,438,174 (2017: US\$11,227) 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.

Other receivables that are denominated in the foreign currency are as follows:

	2018 US\$	2017 US\$
Singapore Dollars	77,807	147,727

Other receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Trust Energy Resources Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 March 2018

14. Cash and cash equivalents

	2018 US\$	2017 US\$
Cash in hand	344	482
Cash at bank	7,871,639	955,095
Fixed deposits	12,770,000	10,734,195
Cash and cash equivalents	20,641,983	11,689,771

Cash and cash equivalents that are denominated in the foreign currencies are as follows:

	2018 US\$	2017 US\$
Singapore Dollars	218,774	422,473
Indonesia Rupiah	18,678	28,508
Australia Dollars	15,509	16,190

15. Non-current assets held for sale

	2018 US\$	2017 US\$
Investment in subsidiary	3,506,652	3,586,698

During the prior 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 balance sheet. During the year, the Company disposed 14,358,000 common shares representing 2.11% of the paid up equity shares of PT Sumber Energy Andalan Tbk to PT Cakrawala Langit Sejahtera at IDR 3,240 each.

16. Trade payables

	2018 US\$	2017 US\$
Holding company	140,703	153,876
Fellow subsidiary	23,573,236	1,108,172
Third parties	2,455,002	636,105
Total trade payables	26,168,941	1,898,153

The average credit period on purchases of goods is 3 days (2017: 3 days). No interest is charged on trade payables.

Trade payables are denominated in the functional currency of the Company.

Trust Energy Resources Pte. Ltd.

**Notes to the financial statements
For the financial year ended 31 March 2018**

17. Other payables

	2018	2017
	US\$	US\$
Holding company	–	14,637
Accrued expenses	916,128	793,234
Deferred revenue	628,805	480,270
Total other payables	1,544,933	1,288,141
Add:		
Trade payables (Note 16)	26,168,941	1,898,153
Current portion of bank loans (Note 19)	11,731,754	11,731,754
Non-current portion of bank loans (Note 19)	90,300,498	102,032,253
Less:		
Deferred revenue	(628,805)	(480,270)
Total financial liabilities carried at amortised cost	129,117,321	116,470,031

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

Other payables that are denominated in the foreign currency are as follows:

	2018	2017
	US\$	US\$
Singapore Dollars	294,047	298,249

18. Share capital

	2018	2017
	US\$	US\$
Issued and fully paid ordinary shares:		
At beginning and end of the year		
129,153,344 ordinary shares	129,153,344	129,153,344

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Trust Energy Resources Pte. Ltd.

**Notes to the financial statements
For the financial year ended 31 March 2018**

19. Bank loans

	2018	2017
	US\$	US\$
Secured bank loan - at amortised cost	102,032,252	113,764,007
Less:		
Amount due for settlement within 12 months (disclosed under current liabilities)	(11,731,754)	(11,731,754)
Amount due for settlement after 12 months	<u>90,300,498</u>	<u>102,032,253</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\$92.80 million (2017: US\$45 million and US\$96.35 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.

The Company has the following borrowing arrangements:

Long term loan from Standard Chartered Bank (SCB)

In FY2016, 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\$13.02 million till date (2017: US\$7.74 million till date) 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 31 March 2018, bank loan amounting to US\$30,965,328 (2017: US\$35,269,827) comprises of outstanding loan principal of US\$31,350,044 (2017: US\$35,710,111) and prepaid upfront fees of US\$384,716 (2017: US\$440,284).

Long term loan from Bank of America (BoA):

- (a) In FY2016, 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\$13.62 million till date (2017: US\$8.11 million till date) 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 31 March 2018, bank loan amounting to US\$31,571,039 (2017: US\$36,080,545) comprises outstanding loan principal of US\$31,894,916 (2017: US\$36,451,333) and prepaid upfront fees of US\$323,877 (2017: US\$370,788).

19. Bank loans (cont'd)

Long term loan from Bank of America (BoA): (cont'd)

- (b) In FY2017, the Company refinanced its newcastlemax dry bulk carriers called MV Trust Amity with a principal balance of US\$44.26 million. The Company has repaid US\$6.64 million till date (2017: US\$2.42 million till date) 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 31 March 2018, bank loan amounting to US\$39,495,886 (2017: US\$42,413,635) comprises outstanding loan principal of US\$39,837,375 (2017: US\$42,788,292) and prepaid upfront fees of US\$341,489 (2017: US\$374,657).

Derivative agreement from ICICI Bank:

The Company entered into a derivative agreement on 4 January 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\$764,774 (2017: US\$942,070) 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\$283,188 (2017: US\$1,047,962).

20. Derivatives

	Contract/ Notional amount US\$	2018		2017		
		US\$		US\$		
		Assets US\$	Liabilities US\$	Assets US\$	Liabilities US\$	
Interest rate Cap	55,357,447	–	283,188	67,428,936	–	1,047,962

Interest rate cap contracts are used to hedge interest rate risk arising from underlying floating interest rates of specified loans and contracts. Under the interest rate cap agreements, the Company fixes its maximum interest rate. Fair value loss on the contracts is recognised in the profit or loss.

21. Fair value of assets and liabilities

(a) Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

21. Fair value of assets and liabilities (cont'd)

(a) Fair value hierarchy (cont'd)

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Liabilities measured at fair value

	2018	2017
	US\$	US\$
Level 2	283,188	1,047,962

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.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables (current), trade and other payables, based on their notional amounts, reasonably approximate their fair values because there are mostly short term in nature or are re-priced frequently.

22. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives for speculative purposes shall be undertaken. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

22. **Financial risk management objectives and policies (cont'd)**

(a) **Credit risk (cont'd)**

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Excessive risk concentration

The Company has significant concentration of credit risk with three (2017: three) customers which made up of 94% (2017: 60%) of its total trade receivables as at 31 March 2018.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 12 and 13 (Trade and other receivables).

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

As part of its overall liquidity management, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company is dependent on its holding company for continued financial support and management is satisfied that the financial support will be available when required. Hence, management is of the opinion that liquidity risk is minimal.

22. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)**Liquidity risk analysis*Non-derivative financial assets and liabilities

The following tables details the expected maturity for non-derivative financial assets and liabilities.

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.

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 interest rate %	On demand or within one year US\$	Adjustment US\$	Total US\$
Financial assets				
2018				
Non-interest bearing	–	66,299,919	–	66,299,919
Variable interest rate instruments	2.55	30,009,793	–	30,009,793
Fixed interest rate instruments	1.75	12,815,672	(45,672)	12,770,000
		109,125,384	(45,672)	109,079,712
2017				
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
		68,689,026	(9,735)	68,679,291

Trust Energy Resources Pte. Ltd.

Notes to the financial statements
For the financial year ended 31 March 2018

22. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

Liquidity risk analysis (cont'd)

Non-derivative financial assets and liabilities (cont'd)

	Average effective interest rate %	On demand or within one year US\$	Within 2 to 5 years US\$	More than 5 years US\$	Adjustment US\$	Total US\$
Financial liabilities						
2018						
Non-interest bearing	—	27,085,069	—	—	—	27,085,069
Variable interest rate instruments	2.83	5,415,165	20,359,374	9,403,321	(3,606,822)	31,571,038
	3.02	2,200,398	8,214,636	—	(899,670)	9,515,364
	2.72	2,999,757	11,330,761	9,843,820	(2,724,374)	21,449,964
	3.21	4,197,398	15,842,743	28,152,455	(8,696,710)	39,495,886
		41,897,787	55,747,514	47,399,596	(15,927,576)	129,117,321
2017						
Non-interest bearing	—	2,706,024	—	—	—	2,706,024
Variable interest rate instruments	2.26	5,348,037	20,340,659	14,171,968	(3,780,119)	36,080,545
	2.30	2,180,369	8,273,961	1,957,151	(985,777)	11,425,704
	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
		17,318,787	55,600,328	60,166,299	(16,615,383)	116,470,031

22. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*Derivative financial instruments

	On demand or within one year US\$	Within 2 to 5 years US\$	Total US\$
2018			
Non-interest bearing	283,188	–	283,188
2017			
Non-interest bearing	–	1,047,962	1,047,962

(c) *Foreign currency risk*

Foreign currency risk refers to the risk that arises from the movements in the foreign currency exchange rate against United States Dollars that will affect the Company's financial results and its cash flows. The Company's foreign currency exposures arise mainly from the exchange rate movements of Singapore Dollars, Australian Dollars and Indonesian Rupiah against United States Dollars.

Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

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

	Assets		Liabilities	
	2018 US\$	2017 US\$	2018 US\$	2017 US\$
Singapore Dollars	295,681	571,201	294,047	298,249
Australian Dollars	15,509	16,190	–	–
Indonesian Rupiah	18,678	28,433	–	–

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

22. Financial risk management objectives and policies (cont'd)

(c) *Foreign currency risk (cont'd)*

If the relevant foreign currency strengthens by 10% against the United States Dollars, profit before income tax will increase/(decrease) by:

	2018	2017
	US\$	US\$
Singapore Dollars	253	27,295
Australian Dollars	1,551	1,619
Indonesian Rupiah	1,868	2,843

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Company.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(d) *Interest rate risk*

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

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\$102,032,252 (2017: US\$113,764,007). Further details on the derivative agreement are disclosed in Note 20 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 31 March 2018 would decrease/increase by US\$360,112 (2017: US\$443,810) 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.

Trust Energy Resources Pte. Ltd.

Notes to the financial statements For the financial year ended 31 March 2018

23. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 2017.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables, bank loans, less cash and cash equivalents. Capital includes equity attributable to the owner of the Company.

	Note	2018 US\$	2017 US\$
Trade payables	16	26,168,941	1,898,153
Other payables	17	1,544,933	1,288,141
Bank loans	19	102,032,252	113,764,007
Less: Cash and cash equivalents	14	(20,641,983)	(11,689,771)
Net debt		109,104,143	105,260,530
Equity attributable to the owner of the Company		169,201,743	151,098,261
Capital and net debt		278,305,886	256,358,791
Gearing ratio		39%	41%

24. Dividends

	2018 US\$	2017 US\$
<i>Declared and paid during the financial year:</i>		
<i>Dividends on ordinary shares:</i>		
- Interim dividend, net of tax out of retained earnings: US\$0.10 (2017: US\$0.17) per ordinary share	13,000,000	22,000,000

Trust Energy Resources Pte. Ltd.

**Notes to the financial statements
For the financial year ended 31 March 2018**

25. Comparative notes

The financial statements for the financial year ended 31 March 2017 were audited by another firm of Chartered Public Accountants.

26. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 18 July 2018.

TRUST ENERGY RESOURCES PTE. LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2018

	Year ended March, 2018	Exchange Rate	Amount ₹	Year ended March, 2017	Exchange Rate	Amount ₹
	USD			USD		
Continuing operations						
Coal Sales	257,89,635	64.45	16620,74,923	-	67.09	-
Freight income	407,30,473	64.45	26249,73,086	244,16,438	67.09	16380,89,059
Other Vessels operating income	263,53,330	64.45	16984,03,600	332,15,078	67.09	22283,86,297
Other operating income	166,89,134	64.45	10755,71,295	174,14,079	67.09	11683,03,594
Exchange gain/(loss)	32,86,730	64.45	2118,21,203	-10,383	67.09	(6,96,591)
Coal purchase	-253,19,536	64.45	(16317,78,264)	0	67.09	-
Freight expense	-316,87,306	64.45	(20421,64,485)	(248,66,227)	67.09	(16682,65,223)
Vessel running costs	(64,06,161)	64.45	(4128,60,420)	(53,13,513)	67.09	(3564,81,462)
Staff and related costs	(12,53,560)	64.45	(807,88,683)	(14,04,201)	67.09	(942,07,283)
Operating expenses	-6,67,222	64.45	(430,00,723)	(6,89,954)	67.09	(462,88,738)
Depreciation expenses	-93,19,455	64.45	(6006,14,644)	(87,59,758)	67.09	(5876,88,660)
Finance Cost	-41,90,052	64.45	(2700,37,957)	(36,13,720)	67.09	(2424,43,029)
Profit before income tax	340,06,010	64.45	21915,98,931	303,87,839	67.09	20387,07,964
Income tax expenses	-29,02,527	64.45	(1870,60,319)	(20,69,451)	67.09	(1388,38,640)
Total Profit for the year, representing total comprehensive income for the year	311,03,483	64.45	20045,38,612	283,18,388	67.09	18998,69,324

TRUST ENERGY RESOURCES PTE. LTD.
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

	As at March, 2018	Exchange Rate	Amount ₹	As at March, 2017	Exchange Rate	Amount ₹
	USD			USD		
ASSETS						
Non-current assets						
Investments in joint ventures	7,89,065	65.18	514,29,284	7,89,065	64.85	511,70,865
Property, plant and equipment	1881,10,840	65.18	122605,94,274	1979,26,290	64.85	128355,19,907
Total Non-current assets	<u>1888,99,905</u>	65.18	<u>123120,23,558</u>	<u>1987,15,355</u>	64.85	<u>128866,90,772</u>
Non-current assets held for sale	<u>35,06,652</u>	65.18	<u>2285,54,811</u>	<u>35,86,698</u>	64.85	<u>2325,97,365</u>
Current assets						
Cash and cash equivalents	206,41,983	65.18	13453,92,847	116,89,771	64.85	7580,81,649
Trade receivables	594,64,861	65.18	38757,70,978	365,69,565	64.85	23715,36,290
Other receivables and prepayments	293,55,383	65.18	19133,10,475	205,50,212	64.85	13326,81,248
Total current assets	<u>1094,62,227</u>	65.18	<u>71344,74,300</u>	<u>688,09,548</u>	64.85	<u>44622,99,187</u>
TOTAL ASSETS	<u>3018,68,784</u>	65.18	<u>196750,52,669</u>	<u>2711,11,601</u>	64.85	<u>175815,87,324</u>
LIABILITIES AND EQUITY						
Non-current liabilities						
Derivative financial instruments	-	65.18	-	10,47,962	64.85	679,60,336
Non-current portion of bank loans	903,00,498	65.18	58855,60,708	1020,32,253	64.85	66167,91,607
Total non-current liabilities	<u>903,00,498</u>	65.18	<u>58855,60,708</u>	<u>1030,80,215</u>	64.85	<u>66847,51,943</u>
Capital and reserves						
Share capital	1291,53,344	46.37	59890,14,205	1291,53,344	46.37	59890,14,205
Accumulated profits	400,48,399	75.88	30389,35,661	219,44,917	85.31	18722,13,249
Exchange Difference	-		20001,96,738	-		19374,94,771
	<u>1692,01,743</u>	65.18	<u>110281,46,604</u>	<u>1510,98,261</u>	64.85	<u>97987,22,225</u>
			200.02			193.75
Current liabilities						
Trade payables	261,68,941	65.18	17056,26,152	18,98,153	64.85	1230,95,222
Other payables	15,44,933	65.18	1006,94,871	12,88,141	64.85	835,35,944
Current portion of bank loans	117,31,754	65.18	7646,46,396	117,31,754	64.85	7608,04,247
Income tax payable	26,37,727	65.18	1719,20,452	20,15,077	64.85	1306,77,743
Derivative financial instruments	2,83,188	65.18	184,57,486	-	64.85	-
Total current liabilities	<u>423,66,543</u>	65.18	<u>27613,45,357</u>	<u>169,33,125</u>	64.85	<u>10981,13,156</u>
TOTAL LIABILITIES AND EQUITY	<u>3018,68,784</u>	65.18	<u>196750,52,669</u>	<u>2711,11,601</u>	64.85	<u>175815,87,324</u>

TRUST ENERGY RESOURCES PTE. LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Stated capital	Exchange Rate	Amount	Accumulated losses	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹
Balance as at April 1, 2016	1291,53,344	46.37	59890,14,205	156,26,529	90.39	14124,88,125	1447,79,873	51.12	74015,02,330
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
Dividend Proposed				(220,00,000)	65.46	(14401,44,200)	(220,00,000)	65.46	(14401,44,200)
Balance as at March 31, 2017	<u>1291,53,344</u>	<u>46.37</u>	<u>59890,14,205</u>	<u>219,44,917</u>	<u>85.31</u>	<u>18722,13,249</u>	<u>1510,98,261</u>	<u>52.03</u>	<u>78612,27,454</u>
Dividend paid during the year				(130,00,000)	64.45	(8378,16,200)	(130,00,000)	64.45	(8378,16,200)
Profit for the year, representing total comprehensive income for the year				311,03,483	64.45	20045,38,612	311,03,483	64.45	20045,38,612
Balance as at March 31, 2018	<u>1291,53,344</u>	<u>46.37</u>	<u>59890,14,205</u>	<u>400,48,400</u>	<u>75.88</u>	<u>30389,35,661</u>	<u>1692,01,744</u>	<u>53.36</u>	<u>90279,49,866</u>

TRUST ENERGY RESOURCES PTE. LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Year ended March, 2018	Exchange Rate	Amount ₹	Year ended March, 2017	Exchange Rate	Amount ₹
	USD			USD		
Operating activities						
Profit before tax	340,06,010	64.45	21915,98,931	303,87,839	67.09	20387,07,964
Adjustment for:						
Depreciation expense	93,19,455	64.45	6006,14,644	87,59,758	67.09	5876,88,660
Interest expense	49,54,827	64.45	3193,25,718	45,55,790	67.09	3056,46,129
Interest income	-1,77,442	64.45	(114,35,676)	(2,58,403)	67.09	(173,36,154)
Fair value gain/loss on interest cap	-7,64,774	64.45	(492,87,696)	(9,42,070)	67.09	(632,03,099)
Reversal of impairment loss of subsidiary	-	64.45	-	(35,86,698)	67.09	(2406,30,134)
Cash flows before changes in working capital	473,38,076	64.45	30508,15,921	389,16,216	67.09	26108,73,366
Changes in working capital:						
Trade receivables	-228,56,828	64.45	(14730,63,137)	7,02,838	67.09	471,53,120
Other receivables	-35,05,171	64.45	(2258,99,158)	12,43,790	67.09	834,45,374
Trade payables	242,70,788	64.45	15641,89,183	10,02,865	67.09	672,81,812
Other payables	-15,53,767	64.45	(1001,36,243)	(18,02,625)	67.09	(1209,37,390)
Cash generated from operations	436,93,098	64.45	28159,06,566	400,63,084	67.09	26878,16,282
Interest received	1,38,974	64.45	89,56,513	31,608	67.09	21,20,568
Interest paid	-30,08,621	64.45	(1938,97,801)	(26,64,929)	67.09	(1787,89,021)
Income taxes paid	-22,79,877	64.45	(1469,32,145)	(7,94,197)	67.09	(532,82,359)
Net cash from operating activities	385,43,574	64.45	24840,33,133	366,35,566	67.09	24578,65,470
Investing activities						
Purchase of property, plant and equipment	(7,840)	64.45	(5,05,268)	(36,524)	67.09	(24,50,381)
Loan to fellow subsidiary	(53,00,000)	64.45	(3415,71,220)	(196,00,000)	67.09	(13149,56,160)
Payment towards Dry Docking	-	64.45	-	(11,00,000)	67.09	(737,98,560)
Payment towards construction of vessels	-	64.45	-	(257,96,168)	67.09	(17306,54,593)
Proceeds from disposal of JV/Associates	80,046	64.45	51,58,757	299,50,513	67.09	20093,67,937
Proceeds from disposal of fixed assets	5,03,835	64.45	324,70,856	1,070	67.09	71,786
Net cash used in investing activities	(47,23,959)	64.45	(3044,46,875)	(165,81,109)	67.09	(11124,19,971)
Financing activities						
Proceeds from borrowings	-	64.45	-	232,26,250	67.09	15582,39,822
Repayment of borrowings from bank	(118,67,402)	64.45	(7648,23,204)	(103,91,942)	67.09	(6971,91,232)
Withdrawal of term deposit	-	64.45	-	-	67.09	-
Repayment of borrowings to fellow subsidiary	-	64.45	-	(70,00,000)	67.09	(4696,27,200)
Dividend paid to Shareholders	(130,00,000)	64.45	(8378,16,200)	(220,00,000)	67.09	(14759,71,200)
Net cash (used in) from financing activities	(248,67,402)	64.45	(16026,39,404)	(161,65,692)	67.09	(10845,49,810)
Net increase in cash and cash equivalents	89,52,213	64.45	5769,46,854	38,88,765	67.09	2608,95,689
Cash and cash equivalents at the beginning of the year	116,89,771	64.85	7580,81,649	78,01,006	66.25	5167,97,145
Effect of exchange fluctuation on cash and cash equivalents	-		103,64,409	-		(196,11,185)
Cash and cash equivalents at the end of the year	206,41,983	65.18	13453,92,847	116,89,771	64.85	7580,81,649