

## **Report on review of interim financial information**

To the Board of Directors of  
Great Eastern Energy Corporation Limited

### *Introduction*

We have reviewed the accompanying interim condensed financial statements of Great Eastern Energy Corporation Limited (the “Company”) which comprise of the interim condensed statement of financial position as at 30 September 2019 and the related interim condensed statements of income, other comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, issued by the IASB.

**For S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**Per Pravin Tulsyan**

Partner

Membership Number: 108044

UDIN: 19108044AAAAEO7445

Place of Signature: Gurugram

Date: November 6, 2019

**Great Eastern Energy Corporation Limited**  
**Interim Condensed financial statements**  
**For the six months ended 30 September 2019**

# Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

## Interim Condensed statement of financial position

	Notes	As at	
		30 September 2019	31 March 2019
		(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	147,956,699	152,544,104
Capital work-in-progress (including wells in progress)	9	8,031,950	8,100,768
Intangible assets	10	118,914	128,727
Prepayments		377,999	385,295
Trade and other receivables		1,382,918	1,402,415
Tax assets (net)		154,782	103,796
<b>Total non-current assets</b>		<b>158,023,262</b>	<b>162,665,105</b>
<b>Current assets</b>			
Trade and other receivables		4,233,601	4,348,073
Liquid investments		5,878,805	5,656,002
Prepayments		146,531	125,428
Restricted deposits with banks		1,719,415	1,300,953
Cash and cash equivalents		222,910	19,295
<b>Total current assets</b>		<b>12,201,262</b>	<b>11,449,751</b>
<b>Total assets</b>		<b>170,224,524</b>	<b>174,114,856</b>
<b>Equity</b>			
Issued capital		13,306,007	13,306,007
Share premium		91,006,858	91,006,858
Other reserves		(31,298,840)	(29,456,806)
Retained earnings		15,407,842	10,598,897
<b>Total equity attributable to owners of the Company</b>		<b>88,421,867</b>	<b>85,454,956</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	13	64,628,628	72,061,686
Employee benefit liabilities		532,567	448,440
Deferred tax liabilities (net)		1,051,424	2,160,217
Provisions	15	240,608	245,895
<b>Total non-current liabilities</b>		<b>66,453,227</b>	<b>74,916,238</b>
<b>Current liabilities</b>			
Interest bearing loans and borrowings	13	10,228,438	8,674,946
Trade and other payables		4,362,856	4,192,188
Employee benefit liabilities		758,136	639,703
Income tax payable		-	236,825
<b>Total current liabilities</b>		<b>15,349,430</b>	<b>13,743,662</b>
<b>Total liabilities</b>		<b>81,802,657</b>	<b>88,659,900</b>
<b>Total equity and liabilities</b>		<b>170,224,524</b>	<b>174,114,856</b>

The accompanying notes form an integral part of the interim condensed financial statements.

### On behalf of Board of Directors

**Yogendra Kr. Modi**

Executive Chairman

Place: Gurugram

Date: November 6, 2019

**S. Sundareshan**

Director

Place: Gurugram

Date: November 6, 2019

# Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

## Interim Condensed income statement

	Note	For the six months ended	
		30 September	
		2019	2018
		(Unaudited)	(Unaudited)
Revenue			
- Sale of gas		18,868,267	20,294,046
- Other operating revenue		16,954	131,637
Other income		322,757	286,983
		<b>19,207,978</b>	<b>20,712,666</b>
Employee benefit expenses		(2,194,466)	(2,036,110)
Other expenses		(5,862,168)	(5,989,354)
Finance income		252,782	46,209
Finance costs		(4,511,045)	(5,037,116)
Depletion, depreciation and amortisation		(2,438,820)	(2,388,350)
Exploration assets written off	19	-	(766,211)
Exchange fluctuation gain / (loss) (net)		97,635	(1,147,811)
		<b>(14,656,082)</b>	<b>(17,318,743)</b>
<b>Profit before tax</b>		<b>4,551,896</b>	<b>3,393,923</b>
<b>Income tax (expense) / credit</b>			
Current tax	12	(713,916)	(634,760)
Deferred tax	12	1,073,275	(870,316)
<b>Profit for the period</b>		<b>4,911,255</b>	<b>1,888,847</b>
<b>Profit attributable to:</b>			
Owners of the Company		<b>4,911,255</b>	<b>1,888,847</b>
<b>Earnings per share</b>			
Basic		0.08	0.03
Diluted		0.08	0.03

The accompanying notes form an integral part of the interim condensed financial statements.

### On behalf of Board of Directors

**Yogendra Kr. Modi**

Executive Chairman

Place: Gurugram

Date: November 6, 2019

**S. Sundareshan**

Director

Place: Gurugram

Date: November 6, 2019

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

### Interim Condensed statement of other comprehensive income

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b>4,911,255</b>	<b>1,888,847</b>
<b>Other comprehensive income/ (loss)</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Foreign currency translation adjustment	(1,903,640)	(8,581,139)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurements of the defined benefit liability	(57,427)	(27,531)
Tax on items that will never be reclassified to profit or loss	16,723	9,528
<b>Total other comprehensive income/ (loss) for the period</b>	<b>(1,944,344)</b>	<b>(8,599,142)</b>
<b>Total comprehensive income/ (loss) for the period</b>	<b><u>2,966,911</u></b>	<b><u>(6,710,295)</u></b>
<b>Total comprehensive income/ (loss) attributable to:</b>		
Owners of the Company	<b><u>2,966,911</u></b>	<b><u>(6,710,295)</u></b>

The accompanying notes form an integral part of the interim condensed financial statements.

#### On behalf of Board of Directors

**Yogendra Kr. Modi**

Executive Chairman

Place: Gurugram

Date: November 6, 2019

**S. Sundareshan**

Director

Place: Gurugram

Date: November 6, 2019

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

### Interim Condensed statement of changes in equity

For the six months ended 30 September 2018 (Unaudited)

Attributable to owners of the Company

	Share capital	Securities premium*	Retained Earnings	Foreign currency translation reserve #	Debenture redemption reserve**	Total equity
<b>Balance as at 1 April 2018</b>	13,306,007	91,006,858	2,391,394	(25,951,019)	1,138,053	81,891,293
<i>Total comprehensive income/ (loss) for the period</i>						
Profit for the period	-	-	1,888,847	-	-	1,888,847
Other comprehensive income / (loss)	-	-	(18,003)	(8,581,139)	-	(8,599,142)
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>1,870,844</b>	<b>(8,581,139)</b>	-	<b>(6,710,295)</b>
Transfer to debenture redemption reserve	-	-	(87,347)	-	87,347	-
<b>Balance as at 30 September 2018</b>	<b>13,306,007</b>	<b>91,006,858</b>	<b>4,174,891</b>	<b>(34,532,158)</b>	<b>1,225,400</b>	<b>75,180,998</b>

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

### Interim Condensed statement of changes in equity

For the six months ended 30 September 2019 (Unaudited)

Attributable to owners of the Company

	Share capital	Securities premium*	Retained Earnings	Foreign currency translation reserve #	Debenture redemption reserve**	Total equity
<b>Balance as at 1 April 2019</b>	13,306,007	91,006,858	10,598,897	(30,768,956)	1,312,150	85,454,956
<i>Total comprehensive income/ (loss) for the period</i>						
Profit for the period	-	-	4,911,255	-	-	4,911,255
Other comprehensive income / (loss)	-	-	(40,704)	(1,903,640)	-	(1,944,344)
<b>Total comprehensive income/(loss) for the period</b>	-	-	<b>4,870,551</b>	<b>(1,903,640)</b>	-	<b>2,966,911</b>
Transfer to debenture redemption reserve	-	-	(61,606)	-	61,606	-
<b>Balance as at 30 September 2019</b>	<b>13,306,007</b>	<b>91,006,858</b>	<b>15,407,842</b>	<b>(32,672,596)</b>	<b>1,373,756</b>	<b>88,421,867</b>

\*Securities premium represents the premium paid by the shareholders on issue of shares and is net of equity transaction costs. Under the Indian Companies Act, such a reserve has a restricted usage.

\*\*Debenture redemption reserve represents the reserve created for the redemption of debentures. Under the Indian Companies Act, such a reserve has a restricted usage until the redemption of debentures.

# The translation reserve comprises all foreign exchange differences arising from the translation of these financial statements from Indian Rupee (functional currency) to US Dollars (presentation currency).

The accompanying notes form an integral part of the interim condensed financial statements.

#### On behalf of Board of Directors

**Yogendra Kr. Modi**  
Executive Chairman

Place: Gurugram  
Date: November 6, 2019

**S. Sundareshan**  
Director

Place: Gurugram  
Date: November 6, 2019

# Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

## Interim Condensed statement of cash flows

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>A. Cash flow from operating activities</b>		
Profit before tax	4,551,896	3,393,923
<b>Adjustments for:-</b>		
Net finance costs	4,234,512	4,970,185
Exchange fluctuation (gain) / loss (net)	(101,693)	1,134,291
(Gain) on liquid investments	(256,282)	(224,561)
(Gain) / Loss on disposal of property, plant and equipment	(12,414)	(24,205)
Exploration assets written off	-	766,211
Depletion, depreciation and amortisation	2,438,820	2,388,350
<b>Changes in:</b>		
Trade and other receivables	3,790	308,048
Trade and other payables	423,943	(1,094,048)
<b>Cash generated from operating activities</b>	<b>11,282,572</b>	<b>11,618,194</b>
Income tax paid, net	(1,001,798)	(732,351)
<b>Net cash from operating activities</b>	<b>10,280,774</b>	<b>10,885,843</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/ capital work in progress/ intangible assets	(959,687)	(237,227)
Proceeds from sale of property, plant and equipment	21,570	65,365
Purchase of liquid investments	(23,978,348)	(30,635,115)
Proceeds from sale of liquid investments	23,886,666	25,847,600
Fixed deposits made during the period	(616,059)	(990,105)
Fixed deposits matured during the period	165,028	970,240
Interest received	35,390	39,447
<b>Net cash (used in) investing activities</b>	<b>(1,445,440)</b>	<b>(4,939,795)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long term borrowings	(4,224,613)	(1,973,162)
Interest paid	(4,347,165)	(4,652,747)
<b>Net cash (used in) financing activities</b>	<b>(8,571,778)</b>	<b>(6,625,909)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>263,556</b>	<b>(679,861)</b>
Cash and cash equivalents at 1 April	19,295	1,108,569
Effect of exchange rate fluctuations on cash and cash equivalents	(59,941)	(102,891)
<b>Cash and cash equivalents at 30 September</b>	<b>222,910</b>	<b>325,817</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand	<b>1,567</b>	<b>2,379</b>
Balances with banks in		
- Current accounts	<b>221,343</b>	<b>323,438</b>

The accompanying notes form an integral part of the interim condensed financial statements.

### On behalf of Board of Directors

**Yogendra Kr. Modi**

Executive Chairman

Place: Gurugram

Date: November 6, 2019

**S. Sundareshan**

Director

Place: Gurugram

Date: November 6, 2019



# Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

## Notes to interim condensed financial statements

### 1 Organisation and nature of operations

Great Eastern Energy Corporation Limited ('GEECL' or 'the Company') is a Public Limited Company incorporated in India. Some of GEECL's shares are listed as Global Depository Receipts for trading on the London Stock Exchange Plc's Main Market.

The Company was incorporated in 1992 to explore, develop, distribute and market Coal Bed Methane gas or CBM gas in India. GEECL originally entered into a license agreement in December 1993 with Coal India Limited (CIL) for exploration and development of CBM over an area of approximately 225 Sq. km (approximately 55,600 acres) in the state of West Bengal (the block).

The Contract for exploration & Production of CBM gas was signed on 31 May 2001 for an area of 210 Sq. km (approximately 52,000 acres) in Raniganj (South), West Bengal. The Petroleum Exploration License (PEL) was granted by the Government of West Bengal on 9 November, 2001. The Contract provides for a five year initial assessment and market development phase, followed by a five year development phase and then a twenty-five year production phase, extendable with the approval of the Government of India (GOI).

Besides this, the Company was awarded with Mannargudi block located in Tamil Nadu under CBM IV round for which the Contract for exploration & Production of CBM gas was signed with the Government of India on 29 July 2010. In this regard, two PEL had been granted to the Company on 13 September 2011 and 4 November 2011. The Environmental Clearance for the block was granted by the Ministry of Environment & Forest, Government of India on 12 September 2012. (also refer note 19).

The Company does not have any subsidiary and accordingly, does not require any consolidated financial statements. Since the company does not have any investments in associates and joint ventures also, hence, these financial statements are individual financial statements.

These interim condensed financial statements have been prepared as at and for the six month ended 30 September 2019.

The financial statements of the Company as at and for the year ended 31 March 2019 are available upon request from the Company's registered office at M-10, ADDA Industrial Area, Asansol-713305, West Bengal, India, or at [www.geecl.com](http://www.geecl.com).

### 2 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These interim condensed financial statements do not include all the information required for complete set of International Financial Reporting Standards (IFRSs) financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 March 2019. These interim condensed financial statements have been authorised for issue by the Board of Directors in its meeting held on November 6, 2019. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at the end and for the year ended 31 March 2019.

### 3 Summary of significant accounting policies

The accounting policies applied by the Company in these condensed interim financial statements are the same, in all material respects, as those applied by the Company in its last annual financial statements as at and for the year ended 31 March 2019 except for the adoption of new standards and interpretations effective as of 1 April, 2019 as detailed in Note 18.

### 4 Foreign currency translation

Items included in the interim condensed financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is Indian Rupees ("Rs." or "INR"). The financial statements are presented in US Dollar (US \$), which is the Company's presentation currency, which the Company considers most appropriate for its investors being an overseas listed Company.

The Company has converted Indian Rupees ('INR' or 'Rs.') balances to 'USD' equivalent balances on the following basis:

For conversion of all assets and liabilities, other than equity, as at the reporting dates, the exchange rates prevailing as at the reporting date have been used, which are as follows:

- as at 30 September 2019: USD 1 = INR 70.69
- as at 31 March 2019: USD 1 = INR 69.17
- as at 31 March 2018: USD 1 = INR 65.04

For conversion of all expenses and income on income statement and the cash flow statement, for the respective periods, periodic average exchange rates have been used that approximates the exchange rates at the date of transactions, which are as follows:

- For the six months ended 30 September 2019: USD 1 = INR 69.97
- For the six months ended 30 September 2018: USD 1 = INR 68.51

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

### 5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 March 2019.

### 6 Financial instruments

#### *Fair value estimation*

The fair values of financial assets and liabilities, together with carrying amounts shown in the statement of financial position, are as follow:

Particulars	As at 30 September 2019		As at 31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets carried at fair value through profit and loss</b>				
Liquid Investments	5,878,805	5,878,805	5,656,002	5,656,002
<b>Financial assets carried at amortised cost</b>				
Trade and other receivables	5,545,788	5,545,788	5,678,202	5,678,202
Deposits with banks (including restricted deposits)	1,719,415	1,719,415	1,300,953	1,300,953
Cash and cash equivalents	222,910	222,910	19,295	19,295
	<b>13,366,918</b>	<b>13,366,918</b>	<b>12,654,452</b>	<b>12,654,452</b>
<b>Financial liabilities carried at amortized cost</b>				
14% non-convertible redeemable debentures	10,150,451	10,171,441	10,753,308	10,774,829
Indian currency loan	42,190,955	42,227,413	46,478,785	47,852,761
External commercial borrowing	21,207,918	21,207,918	22,143,972	22,300,930
Trades and other payables	3,911,860	3,911,860	3,779,435	3,779,435
Director loan	1,273,165	1,273,165	1,319,044	1,319,044
Vehicle loan	34,577	34,710	41,523	41,672
	<b>78,768,926</b>	<b>78,826,507</b>	<b>84,516,067</b>	<b>86,068,671</b>

#### *Fair value hierarchy*

The hierarchy is based on the inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The different levels are defined as follows.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

The following table reflects the methodology for determination of fair value

	Level 1	Level 2	Level 3
<b>As at 30 September 2019</b>			
<i>Financial Assets</i>			
Liquid investments	5,878,805	-	-
<i>Financial Liabilities</i>			
Borrowings	-	-	74,857,066
<b>As at 31 March 2019</b>			
<i>Financial Assets</i>			
Liquid investments	5,656,002	-	-
<i>Financial Liabilities</i>			
Borrowings	-	-	80,736,632

Fair value of trade and other receivables, bank deposits, cash and cash equivalents, trade and other payables and director's loan has been taken as their carrying amounts due to their short term maturity. Fair value of long term debts is based on discounted cash flow, a level 3 valuation technique.

### 7 Segment reporting

Chief Operating Decision Maker (CODM) reviews the business as one operating segment being the extraction and sale of CBM/CNG gas. Hence, no separate segment information has been furnished herewith.

The entire sale has been made to external customers domiciled in the entity's country. Revenue of approximately USD 11,002,725 (30 September 2018: USD 11,410,484) is derived from 1 (30 September 2018: 1) customer which constitute more than 10% of the total sales. No other customer contribute to more than 10% of the Company's revenue.

### 8 a) Property, plant and equipment

Property, plant and equipment represent freehold land, leasehold land, building, plant and machinery, pipeline, gas producing properties, furniture and fixture, office equipments, vehicles.

**Movements in property, plant and equipment are as follows:**

	For the six months ended	
	30 September	
	2019	2018
Opening balance as at 1 April	152,544,104	130,530,941
Additions	1,120,054	214,822
Disposals/adjustments	(167,918)	(183,162)
Depreciation / amortisation for the period	(2,431,702)	(2,388,350)
Depreciation on retirement	(158,762)	(142,002)
Effect of movements in foreign exchange rates	(2,949,077)	(13,095,642)
<b>Closing balance as at 30 September</b>	<b>147,956,699</b>	<b>114,936,607</b>

### Well capitalisation

During the six months period ended 30 September 2019, the Company has not capitalized any wells (30 September 2018: Nil). All costs involved in drilling, cementing, fracturing and drilling of exploratory core holes are initially considered as Capital work-in-progress till the time these are ready for commercial use when they are transferred to producing properties.

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

Gas Producing properties is depleted according to the 'Unit of production' method by reference to the ratio of production in the period to the related proved developed reserves. Proved developed reserves are estimated by the management based on internal best estimates or independent expert's evaluation as considered appropriate using the deterministic incremental approach. These estimates are reviewed atleast annually.

### b) Capital commitments

	As at	
	30 September 2019	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- For land	14,894	15,222
- For others	872,149	879,720
	<b>887,043</b>	<b>894,942</b>

### 9 Capital work-in-progress (including wells in progress)

	For the six months ended 30 September	
	2019	2018
<b>Opening balance as at 1st April</b>	<b>8,100,768</b>	<b>45,699,877</b>
Movement during the period	106,452	(6,041)
Effect of movement in foreign exchange rates	(175,270)	(5,097,805)
<b>Closing balance as at 30 September</b>	<b>8,031,950</b>	<b>40,596,031</b>

### 10 Intangible assets

Intangible assets represent gas exploration right, computer software and other intangibles.

	For the six months ended 30 September	
	2019	2018
<b>Opening balance as at 1st April</b>	<b>128,727</b>	<b>155,367</b>
Amortisation for the period	(7,117)	(9,440)
Effect of movements in foreign exchange rates	(2,696)	(15,557)
<b>Closing balance as at 30 September</b>	<b>118,914</b>	<b>130,370</b>

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

### 11 Intangible under development

	For the six months ended 30 September	
	2019	2018
<b>Opening balance at at 1st April</b>	-	807,090
Effect of movements in foreign exchange rates	-	(40,879)
Exploration assets written off (note-19)	-	(766,211)
<b>Closing balance as at 30 September</b>	-	-

### 12 Income tax

	For the six months ended 30 September	
	2019	2018
<b>Income tax (expense) / credit</b>		
Current tax	(713,916)	(634,760)
Deferred tax	1,073,275	(870,316)
	<b>359,359</b>	<b>(1,505,076)</b>

  

	For the six months ended 30 September	
	2019	2018
Profit before tax:	4,551,896	3,393,923
Tax expense at domestic tax rate	(1,325,512)	(1,174,569)
Tax effects of:		
- Non-deductible expenses	(30,629)	(39,002)
- Change in tax rate	1,923,869	-
- Others	(208,369)	(291,505)
<b>Tax charge</b>	<b>359,359</b>	<b>(1,505,076)</b>

In Finance Act 2019 (Act"), corporate tax rate for domestic companies having turnover below Rs. 4,000,000,000 (USD 56,585,090) has been reduced to 25% (Plus surcharge and cess) in India. Accordingly, the Company has remeasured its deferred tax based on the rate prescribed in the Act and has recognized deferred tax reversal of USD 10,73,275 [(USD 1,923,869) relating to deferred tax as at March 31, 2019] in the statement of Profit & Loss during the current period.

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

### 13 Loans and borrowings

	As at 30 September 2019	As at 31 March 2019
<b>Financial liabilities</b>		
<b>Non-current</b>		
14% non-convertible redeemable debentures	9,799,058	10,513,898
Indian currency loans from banks and financial institutions	34,560,907	40,123,438
External commercial borrowing	20,247,226	21,395,710
Vehicle loan	21,437	28,640
<b>Total non-current</b>	<b>64,628,628</b>	<b>72,061,686</b>
<b>Current</b>		
14% non-convertible redeemable debentures	351,393	239,410
Indian currency loans from banks and financial institutions	7,630,048	6,355,347
Loan from directors	1,273,165	1,319,044
External commercial borrowing	960,692	748,262
Vehicle loan	13,140	12,883
<b>Total current</b>	<b>10,228,438</b>	<b>8,674,946</b>

### 14 Retirement benefits

The state administered provident fund is a defined contribution plan. The Company's gratuity scheme is a defined benefit plan. Gratuity is paid as a lump sum amount to employees at retirement or termination of employment at an amount based on the respective employee's eligible salary and the years of employment with the Company. The Company has made provision for gratuity on the basis of actuarial valuation.

### 15 Provisions

#### Site restoration costs

A provision for restoring the land back to its originality is created by way of site restoration costs, on a well by well basis. Such expenses are provided when the wells have been drilled substantially. These are expected to be incurred when the Company has commercially exploited the proved reserves of the well or when a well which has been drilled, has been declared as dead. The Company expects that the majority of the costs would be incurred closer to the expiry of the CBM contract in year 2036, since there have no additional drilling in the current year management is not expecting any material change to the gross undiscounted decommissioning liability.

### 16 Contingencies

There are no material changes to contingent liabilities from those disclosed in the financial statements as at and for the year ended 31 March 2019.

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

### 17 Related party disclosures

#### a) Relationship with the related parties

##### Related parties where control exists:

The Company is controlled by Mr. Yogendra Kr. Modi & Mr. Prashant Modi who are also the Company's ultimate controlling parties.

##### Other related parties with whom transactions have taken place during the period and the nature of related party relationship:

Key managerial personnel (KMP) and their relatives

- Mr. Yogendra Kr. Modi - Executive Chairman
- Mr. Prashant Modi - Managing Director and Chief Executive Officer
- Mr. Ashok Jha - Independent Director (till July 26, 2018)
- Mr. G.S Talwar - Independent Director
- Mr. S. Sundareshan - Independent Director
- Mr. Sushil Kumar Roongta - Independent Director
- Ms. Prarthana Modi (daughter of Mr. Yogendra Kr. Modi)

Entities that are controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual or close family member of such individual referred above.

YKM Holdings Private Limited

#### b) Related party transactions

The following tables provide the total amount of transactions which have been entered into with related parties during the period ended 30 September 2019 and 30 September 2018.

Related Party	Nature of transaction	For six months period ended 30 September	
		2019	2018
YKM Holdings Private Limited	Lease rentals paid	76,497	71,306
	Reimbursement of expenses	13,897	13,459
Yogendra Kr. Modi	Interest on loan taken	90,285	92,209
Prashant Modi	Interest on loan taken	25,796	26,345
Ms. Prarthana Modi	Consultancy charges	1,786	1,825

#### c) Compensation paid / accrued to key management personnel and their relatives

	For six months period ended 30 September	
	2019	2018
Short term employee benefits	665,097	693,631
Defined contribution plan	53,166	39,332
Commission	47,457	58,386
	<b>765,720</b>	<b>791,349</b>

In addition to above payments, the Company during the six months period ended 30 September 2019, paid USD 7,860 (30 September 2018: USD 8,758) as sitting fees to the non-executive directors for attending various meetings and the same are included in 'other expenses' in the income statement.

Remuneration does not include provision made for gratuity and leave encashment as they are determined for the Company as whole.

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

d) The following tables provide the total amount outstanding with related parties as at the period end.

	As at 30 September 2019		As at 31 March 2019	
	Receivable	Payable	Receivable	Payable
YKM Holdings Private Limited*	61,112	-	62,455	-
Mr. Yogendra Kr. Modi	-	1,027,586	-	1,308,917
Mr. Prashant Modi	-	317,959	-	659,713
Ms. Prarthana Modi		265	-	271
	<b>61,112</b>	<b>1,345,810</b>	<b>62,455</b>	<b>1,968,901</b>

\*Amounts recoverable from YKM Holdings Private Limited consist of USD 30,556 (31 March 2019: USD 31,227) on account of security deposits paid for property taken on lease, recoverable on expiry of lease agreement and USD 30,556 (31 March 2019: USD 31,227) on account of advance rent paid, adjustable against future occupation of property taken on lease.

Amount payable to Mr. Yogendra Kr. Modi and Mr. Prashant Modi includes outstanding borrowings payable by the Company of USD 990,239 (31 March 2019 : USD 1,025,923) and USD 282,925 ( 31 March 2019 : USD 293,456) respectively.

e) **Terms and conditions of transactions with related parties**

Outstanding balances at the period-end are unsecured, interest free (except USD 1,273,165 (30 September 2018: USD 1,240,524) on account of interest bearing loan taken from directors) and settlement occurs in cash. For the period ended 30 September 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (30 September 2018: Nil). This assessment is undertaken at each reporting period end through examining the financial position of the related party and the market in which the related party operates.



# Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

## 18 Application of new and revised standards

The Company has adopted, with effect from 01 April 2019, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the interim condensed financial statements.

### **IFRS 16: Lease**

IFRS 16, Leases, replaces the existing standard on accounting for leases, IAS 17. The Company has adopted IFRS 16 from 1 April 2019 under the modified retrospective approach, and accordingly the comparative figures has not been restated. For contracts in place at this date, the Company has continued to apply its existing definition of leases under current accounting standards ("grandfathering"), instead of reassessing whether existing contracts are or contain a lease at the date of application of the new standard.

This standard introduces a single lessee accounting model and requires a lessee to recognize a 'right of use asset' (ROU) and a corresponding 'lease liability' for all leases with the exception of short-term (under 12 months) and low-value leases. Lease costs to be recognised in the income statement over the lease term in the form of depreciation on the ROU asset and finance charges representing the unwinding of the discount on the lease liability.

Transition to IFRS 16 did not have a material effect on the Company's financial statements.

### **IFRIC Interpretation 23 Uncertainty over Income Tax Treatment**

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatment by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Company.

### **Amendments to IFRS 9: Prepayment Features with Negative Compensation**

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the Contract. These amendments had no impact on the financial statements of the Company.

### **Amendments to IAS 19: Plan Amendment, Curtailment or Settlement**

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendment had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

### **Amendments to IAS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint ventures, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint ventures.

These amendments had no impact on the financial statements of the Company as there is no transaction where joint control is obtained.

## Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

### Annual Improvements 2015 - 2017 Cycle

There have been new pronouncements on Annual improvements such as AIP IFRS 3 Business Combinations - Previously held Interests in a joint operation, AIP IFRS 11 Joint Arrangements - Previously held Interests in a joint operation, AIP IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity and AIP IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation. These improvements are effective for annual periods starting from January 1, 2019. These improvements had no impact on the financial statements of the Company.

The new and amended standards and interpretations that are issued, but not yet effective, upto the date of issuance of financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Accounting pronouncements	Effective date
IFRS 17 Insurance Contracts	January 1, 2021
Amendments to IFRS 3: Definition of a Business	January 1, 2020
Amendments to IAS 1 and IAS 8: Definition of Material	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark reform	January 1, 2020
Amendments to IAS 1 and IAS 8: Definition of Material	January 1, 2020
The Conceptual framework for financial reporting	January 1, 2020

### 19 Exploration Asset

The Company had entered into a Contract for exploration and production of Coal Bed Methane gas ('Contract') with the Government of India (GOI) on 29 July 2010, for carrying out CBM activities in Mannurgudi, Tamil Nadu. The Government of Tamil Nadu on the recommendations of the GOI granted Petroleum Exploration Licenses (PELs) to the Company for the entire block of 667 Sq. km. The Environmental Clearance for the block was also granted by the Ministry of Environment & Forest, Government of India. Thereafter, a dispute was raised by another party with regard to overlapping/unhindered access to the Company for the entire contractual area.

The Company referred the matter before an Arbitral Tribunal, where it is currently pending. Since substantial time had elapsed, the expenditure incurred on the said block has been written off in the previous year as no benefits are expected of it. As per the legal advice obtained, writing off this amount will have no effect on the ongoing Arbitration.

The accompanying notes form an integral part of the interim condensed financial statements.

### On behalf of Board of Directors

**Yogendra Kr. Modi**  
Executive Chairman

Place: Gurugram  
Date: November 6, 2019

**S. Sundareshan**  
Director

Place: Gurugram  
Date: November 6, 2019