

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Great Eastern Energy Corporation Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Great Eastern Energy Corporation Limited (“the Company”), which comprise the statement of financial position as at March 31, 2019, and the income statement, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 give a true and fair view of the financial position of the Company as at March 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (‘IASB’).

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Estimation of gas reserves</b> (as described in note 2.2 (i) of the financial statements)	
The estimation of gas reserves and resources is a significant area of judgement due to the technical uncertainty in assessing quantities. Reserves and resources are also a fundamental indicator of the future potential of the Company’s performance.	<ul style="list-style-type: none"><li>• We assessed the competence and objectivity of the experts, to satisfy ourselves they were appropriately qualified to carry out the volumes estimation.</li><li>• We also assessed that the assumptions and methodology used by the expert to estimate the reserves and resources were made in compliance with the relevant regulations and industry practices.</li><li>• We assessed that the updated reserves and resources estimates were included in the Company’s consideration of impairment and in accounting for depletion, depreciation and amortisation.</li></ul>

#### Other Information included in the Company’s Annual Report for 2018-19

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. Management is responsible for the other information.

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

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements.**

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters 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.

Those charged with governance are responsible for 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge on the audit resulting in this independent auditor's report is Naman Agarwal.

**For S.R. Batliboi & Co. LLP**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 301003E/E300005**

**per Naman Agarwal**  
**Partner**  
**Membership No.: 502405**

Place: Gurugram  
Date: 13 May 2019

# Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

## Statement of financial position

	Note	As at	
		31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	152,544,104	130,530,941
Capital work-in-progress (including Wells in progress)	5	8,100,768	45,290,288
Intangible assets	6	128,727	155,367
Intangible under development	6	-	807,090
Prepayments	7	385,295	411,683
Trade and other receivables	8	1,402,415	146,376
Deferred tax asset (net)	16	-	212,039
Tax assets (net)		103,796	92,371
<b>Total non-current assets</b>		<b>162,665,105</b>	<b>177,646,155</b>
<b>Current assets</b>			
Trade and other receivables	8	4,348,073	1,660,965
Liquid investments	9a	5,656,002	2,839,056
Prepayments	7	125,428	111,555
Restricted deposits with banks	9b	1,300,953	921,278
Cash and cash equivalents	10	19,295	1,108,569
<b>Total current assets</b>		<b>11,449,751</b>	<b>6,641,423</b>
<b>Total assets</b>		<b>174,114,856</b>	<b>184,287,578</b>
<b>Equity</b>			
Issued capital	11	13,306,007	13,306,007
Share premium	11	91,006,858	91,006,858
Reserves	11	(29,456,806)	(24,812,966)
Retained earnings		10,598,897	2,391,394
<b>Total equity attributable to equity holders of the Company</b>		<b>85,454,956</b>	<b>81,891,293</b>
<b>Non-current Liabilities</b>			
Interest bearing loans and borrowings	12	72,061,686	85,188,897
Employee benefit liabilities	13	448,440	351,227
Deferred tax liability (net)	16	2,160,217	-
Provisions	15	245,895	257,381
<b>Total non-current liabilities</b>		<b>74,916,238</b>	<b>85,797,505</b>
Interest bearing loans and borrowings	12	8,674,946	6,480,475
Trade and other payables	14	4,192,188	9,279,953
Employee benefit liabilities	13	639,703	717,833
Income tax payable		236,825	120,519
<b>Total current liabilities</b>		<b>13,743,662</b>	<b>16,598,780</b>
<b>Total liabilities</b>		<b>88,659,900</b>	<b>102,396,285</b>
<b>Total equity and liabilities</b>		<b>174,114,856</b>	<b>184,287,578</b>

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

### On behalf of Board of Directors

Yogendra Kr. Modi  
Executive Chairman  
Place: Gurugram  
Date: 13 May 2019

S. Sundareshan  
Director  
Place: Gurugram  
Date: 13 May 2019

# Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

## Income statement

	Note	For the year ended	
		31 March	
		2019	2018
Revenue	27		
Sale of gas		39,583,544	38,473,568
Other operating revenue		3,453,393	93,511
Other income	17	605,684	181,105
		<b>43,642,621</b>	<b>38,748,184</b>
Employee benefit expenses	18	(4,080,903)	(4,038,058)
Other expenses	19	(11,691,556)	(12,428,454)
Finance income	20	215,848	98,696
Finance costs	21	(9,734,534)	(11,376,838)
Depletion, depreciation and amortisation	4,6, 2.3 (f)	(4,934,620)	(4,223,696)
Exploration assets written off	6, 29	(751,082)	-
Exchange fluctuation gain / (loss) (net)		823,950	(3,818,688)
		<b>(30,152,897)</b>	<b>(35,787,038)</b>
<b>Profit before tax</b>		<b>13,489,724</b>	<b>2,961,146</b>
<b>Income tax expense</b>			
Current tax	16	(2,744,057)	(461,221)
Deferred tax (expense)/income	16	(2,335,288)	(1,667,511)
<b>Profit for the year</b>		<b>8,410,379</b>	<b>832,414</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		<b>8,410,379</b>	<b>832,414</b>
<b>Earnings per share</b>			
Basic earnings per share	22	0.14	0.01
Diluted earnings per share	22	0.14	0.01

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

### On behalf of Board of Directors

**Yogendra Kr. Modi**  
Executive Chairman  
Place: Gurugram  
Date: 13 May 2019

**S. Sundarshan**  
Director  
Place: Gurugram  
Date: 13 May 2019

# Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

## Statement of profit and loss and other comprehensive income

	For the year ended 31 March	
	2019	2018
Profit for the year	8,410,379	832,414
Other comprehensive income/ (loss)		
(a) items not to be reclassified to income statement in subsequent periods:		
Remeasurements gains/ (losses) on defined benefit plan	(44,238)	43,489
Tax on remeasurement gains/ (losses) on defined benefit plan	15,459	(15,051)
(b) items to be reclassified to income statement in subsequent periods:		
Foreign currency translation adjustment	(4,817,937)	(250,763)
Net other comprehensive income/ (loss) (net of tax):	(4,846,716)	(222,325)
Total comprehensive income for the year, net of tax	3,563,663	610,089
Total comprehensive income attributable to:		
Equity holders of the Company	3,563,663	610,089

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

On behalf of Board of Directors

Yogendra Kr. Modi  
Executive Chairman  
Place: Gurugram  
Date: 13 May 2019

S. Sundareshan  
Director  
Place: Gurugram  
Date: 13 May 2019

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

### Statement of changes in equity

For the year ended 31 March 2019

Attributable to equity shareholders of the Company

	Issued 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 year</i>						
Profit for the year	-	-	8,410,379	-	-	8,410,379
Other comprehensive income/(loss)	-	-	(28,779)	(4,817,937)	-	(4,846,716)
<b>Total comprehensive income/(loss) for the year</b>	-	-	<b>8,381,600</b>	<b>(4,817,937)</b>	-	<b>3,563,663</b>
Transfer from / (to) retained earnings			-	58,540	-	(58,540)
Transfer from / (to) retained earnings on redemption of debentures	-	-	(232,637)	-	232,637	-
<b>Balance as at 31 March 2019</b>	<b>13,306,007</b>	<b>91,006,858</b>	<b>10,598,897</b>	<b>(30,768,956)</b>	<b>1,312,150</b>	<b>85,454,956</b>

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

On behalf of Board of Directors

**Yogendra Kr. Modi**  
Executive Chairman  
Place: Gurugram  
Date: 13 May 2019

**S. Sundareshan**  
Director  
Place: Gurugram  
Date: 13 May 2019

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

### Statement of changes in equity

For the year ended 31 March 2018

Attributable to equity shareholders of the Company

	Issued capital	Securities premium	Retained Earnings	Foreign currency translation reserve	Debenture redemption reserve	Total equity
<b>Balance as at 1 April 2017</b>	13,306,007	91,006,858	700,895	(25,700,256)	1,967,700	81,281,204
<i>Total comprehensive income/ (loss) for the year</i>						
Profit for the year	-	-	832,414	-	-	832,414
Other comprehensive income/(loss)	-	-	28,438	(250,763)	-	(222,325)
<b>Total comprehensive income/(loss) for the year</b>	-	-	<b>860,852</b>	<b>(250,763)</b>	-	<b>610,089</b>
Transfer from / (to) retained earnings	-	-	1,829,694	-	(1,829,694)	-
Transfer from / (to) retained earnings on redemption of debentures	-	-	(1,000,047)	-	1,000,047	-
<b>Balance as at 31 March 2018</b>	<b>13,306,007</b>	<b>91,006,858</b>	<b>2,391,394</b>	<b>(25,951,019)</b>	<b>1,138,053</b>	<b>81,891,293</b>

On behalf of Board of Directors

Yogendra Kr. Modi  
Executive Chairman

Place: Gurugram  
Date: 13 May 2019

S. Sundareshan  
Director

Place: Gurugram  
Date: 13 May 2019



# Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

## Statement of cash flow

	For the period ended 31 March	
	2019	2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	13,489,724	2,961,147
<b>Adjustments for:-</b>		
Finance cost	9,734,534	11,376,838
Finance income	(215,848)	(98,696)
Income earned from liquid investment (mutual funds)	(490,781)	(152,345)
Unrealised foreign exchange difference (net)	(904,349)	3,342,034
Loss/ (profit) on disposal of property, plant and equipments	(32,257)	609
Exploration assets written off	751,082	-
Depreciation/amortisation/depletion	4,934,620	4,223,696
<b>Changes in:</b>		
(Increase) / Decrease in Trade and other receivables	(3,920,285)	(288,085)
(Increase) / Decrease in Other assets	(1,364)	38,678
Increase / (Decrease) in Trade and other payables	(4,415,834)	487,429
Increase / (Decrease) in Employee benefits payables	(44,238)	(43,489)
<b>Cash generated from operating activities</b>	<b>18,885,004</b>	<b>21,847,816</b>
Income tax paid	(2,638,594)	(631,060)
<b>Net cash from operating activities (A)</b>	<b>16,246,410</b>	<b>21,216,756</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipments / capital work in progress/ intangible assets	(308,594)	(293,308)
Proceeds from sale of property, plant and equipment	64,570	5,043
Purchases of liquid investments (mutual funds)	(52,826,679)	(21,236,568)
Proceeds from sale of liquid investments (mutual funds)	50,361,766	18,523,867
Deposits made during the year	(5,691,076)	(5,127,964)
Deposits matured during the year	5,260,871	5,271,381
Interest received	109,638	97,565
<b>Net cash (used in) investing activities (B)</b>	<b>(3,029,504)</b>	<b>(2,759,984)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	-	581,774
Repayment of long term borrowings	(4,943,773)	(4,544,964)
Proceeds from short-term borrowings	-	263,770
Repayments of short-term borrowings	-	(2,094,647)
Interest paid	(9,362,407)	(11,986,708)
<b>Net cash (used in) financing activities (C)</b>	<b>(14,306,180)</b>	<b>(17,780,775)</b>

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

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Net decrease in cash and cash equivalents (A+B+C)	(1,089,274)	675,997
Cash and cash equivalents at 1 April	1,108,569	432,572
Cash and cash equivalents at 31 March (refer note 10)	<u>19,295</u>	<u>1,108,569</u>

On behalf of Board of Directors

**Yogendra Kr. Modi**  
Executive Chairman

Place: Gurugram  
Date: 13 May 2019

**S. Sundareshan**  
Director

Place: Gurugram  
Date: 13 May 2019

# Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

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## 1. Corporate Information

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 29).

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. Significant accounting policies

### 2.1 Basis of preparation

- a. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on a historical cost basis, except for liquid investments that have been measured at fair value (refer 2.3(j)).

- b. Items included in the 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.
- c. The financial statements provide comparative information in respect of the previous period. In addition, the company presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of material items in financial statement.
- d. The financial statements of the Company for the year ended 31 March 2019 have been prepared on a going concern basis.

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

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- e. 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 standalone financial statements.

The financial statements have been authorized for issue by the Board of Directors in their meeting held on 13 May 2019.

### 2.2 Use of estimates and judgments

#### Use of estimates

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom be equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### *(i) Gas reserves*

Reserves are those quantities of hydrocarbons anticipated to be commercially recoverable by application of development projects to known accumulations from a given date onwards under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development projects applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

The reserves are estimated annually by the management based on internal best estimates or independent expert's evaluation, as considered appropriate.

Annual adjustments in reserves include changes in estimates, volume of produced gas as well as fresh discoveries made during the year. A reduction in the reserves would result in increased rate of depletion charge.

Refer note 2.3 (f) for the Company's policy in this regard.

##### *(ii) Recoverability of deferred tax and other income tax assets*

The Company has carry forward unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilized. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss. The details of deferred tax assets are set out in note 16.

### 2.3 Summary of significant accounting policies

Except as described in note 2.4 below, the accounting policies set out below have been applied consistently to all the years presented in these financial statements.

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

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### a) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current:

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### b) Fair value measurement

The Company measures financial instruments derivatives at fair value at each balance sheet date. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

### c) Revenue recognition

The Company has adopted IFRS 15 Revenue from contracts with Customers with effect from April 1, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most of the current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. As per the Company's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognised reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The Company has adopted the modified transitional approach as permitted by the standard under which the comparative financial information is not restated. The accounting changes required by the standard are not having material effect on the Company financial statements and no transitional adjustment is recognised in retained earnings at April 1, 2018, though there would be additional disclosure requirements for the company to comply with.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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### Sale of gas

Revenue from the sale of Coal Bed Methane ('CBM') and Compressed Natural Gas (CNG) in the course of ordinary activities is measured at the fair value of the consideration received or receivable inclusive of excise duty and net of returns, trade discounts and volume rebates. Revenue is recognised on sale of gas to customers at delivery point which coincides when persuasive evidence exists, usually in the form of an executed sales agreement, that the control of the gas have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, there is no continuing management involvement with the products, and the amount of revenue can be measured reliably.

### Income from minimum guarantee offtake

Other operating revenue in respect of minimum guarantee offtake is recognised on accrual basis as per contractual arrangements with customers.

### Interest Income

Interest income is recognized on an effective interest basis. Interest income is included under the head "other income" in the Income Statement.

### d) Taxes

#### *Current income tax*

Current income tax assets and liabilities 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 reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity or in OCI is recognised in equity or in OCI, respectively and not in the statement of income statement. 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.

#### *Deferred tax*

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses except when 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 at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognised 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 utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date 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

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be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits 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 reporting date.

Deferred tax relating to items recognised outside income statement is recognised outside income statement. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### e) Foreign currencies

The Company's financial statement are presented in US Dollar (US \$) and the functional currency is Indian Rupees.

#### *Transactions and balances*

Transactions in foreign currencies are initially recorded by the Company in Indian rupees by applying the exchange rate prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or income statement are also recognised in OCI or income statement, respectively).

For the purpose of conversion from the functional currency to the presentation currency, the assets and liabilities, for each balance sheet presented, are translated at the closing rate at the date of that balance sheet. Income and expense for each income statement presented are converted using a rate approximately the rate on the date of transaction and all resulting exchange differences are recognized as a separate component of equity viz, foreign currency translation reserve.

### f) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgement, estimate and assumption (Note 2.2) and provisions (Note 2.3 (n)) for further information about the recognised decommissioning provision.



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If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenditures are charged to the income statement during the financial year in which they are incurred. When any major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied and the carrying value of past such inspection costs are charged off in the income statement.

### *Capital work in progress/ intangible assets under development (including exploration and evaluation assets)*

The following costs with respect to oil and gas extraction activities, are treated as capital work-in-progress/intangible assets under development when incurred:

- i. All acquisition costs;
- ii. All exploration costs; and
- iii. All development costs.

All the costs other than the above are charged as expense when incurred.

### *Depletion, depreciation and amortisation*

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 25-99 years depending on the actual lease period.

Depreciation (other than Gas producing properties) on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company, based on technical estimates, has assessed the useful life of its property, plant and equipments as follows:-

#### **Useful lives estimated by the management (years)**

Desktops, laptops, etc.	3
Office Equipments	5
Servers and networks	6
Motor vehicles	8
Buildings	30 - 60
Furniture & Fixture	10
PipeLine	30
<b>Plant &amp; Machinery</b>	
-Cranes	8
-Drilling equipments	8
-Compressors/Cascades/Others	15
-Gas Gathering Station	25
-Drilling Rigs	30
-Electric Installations	10

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The Company has reassessed the economic useful life of all these assets and has restricted the same to the technical useful life or upto the end of the license period i.e November 9, 2036, whichever is earlier. This resulted in a higher depreciation, depletion and amortisation expense of USD 262,190 and lower profit after tax of USD 170,570 for the year ended March 31,2019. However, building constructed on freehold land continues to be depreciated over its technically assessed useful life.

Gas producing properties is depleted according to the 'Unit of Production' method by reference to the ratio of production in the year 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 Petroleum Resource Management system method. These estimates are reviewed at least annually.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **g) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in income statement in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is as follows:

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- Gas exploration rights are capitalized at historical costs.
- Computer software-costs associated with identifiable and unique software products controlled by the Company having probable economic benefits exceeding the costs beyond one year are recognized as intangible assets. These costs are amortized using the straight line method over their useful lives.

Particulars	Gas exploration rights	Computer software
Useful lives	Finite	Finite
Amortisation method used	Amortized on a straight line basis over the period of 25 years	Amortized on a straight line basis over the period of 5 years
Internally generated or acquired	Acquired	Acquired

### h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### *Company as a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

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

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term

### i) Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all the conditions attached to it will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants relating to the purchase of property, plant and equipment are adjusted against the carrying amount of the related asset.

### j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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### A. Financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, either through other comprehensive income, or through income statement, and
- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Measurement

##### Initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income statement, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through income statement are expensed in the income statement. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent Measurement

The Company's financial assets include trade and other receivables, investments, deposits with banks and cash and cash equivalents.

#### (a) Trade and other receivables

Trade and other receivables are financial assets measured at amortised cost as they fulfill both of the following conditions:

- Such assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of such assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company recognizes these assets on the date when they are originated and are initially measured at fair value plus any directly attributable transaction costs.

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### (b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cheque in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and are reduced by bank overdrafts and cash credits.

### (c) Deposits with banks

Bank deposits consists of term deposits with banks, which have original maturities of more than three months. Such assets are recognised and measured at amortised cost (including directly attributable transaction cost) using the effective interest method, less any impairment losses.

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (“ECL”) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Also refer note 3.

For trade receivables only, the Company applies the simplified approach permitted by IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms:

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, and upon consideration of the fact that there has been no material history of defaults the Company does not estimate any provision on its outstanding trade receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit & loss. This amount is reflected under the head ‘other expenses’ in the statement of profit & loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

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ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

### (iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## B. Financial liabilities

### (i) Initial recognition and measurement

The Company's financial liabilities consists of trade and other payables and loans and borrowings and derivative financial instruments (not designated as hedges), which are recognized on the trade date when the Company becomes a party to the contractual provisions of the instrument. These are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, trade and other payables and borrowings are measured at amortised cost using the effective interest rate (EIR) method and derivative financial instruments (not designated as hedges) are measured at fair value through income statement.

#### (a) Trade and other payables

Trade and other payables represent unpaid liabilities for goods and services provided to the Company prior to the end of financial year and are presented as current liabilities unless payment is not due within 12 months after the reporting period. These are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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### **(b) Loans and Borrowings**

Loans and Borrowings are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is considered as a prepayment and amortised over the period of the facility to which it relates.

Loans and Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit and loss as other gains/(losses).

Loans and Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

### **Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **(c) Financial liabilities at fair value through statement of income statement**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instru-

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ments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the income statement.

### (ii) Derecognition of financial liabilities

A financial liability is derecognized 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income statement.

### C. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### D. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### k) Impairment of non- financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Property, plant and equipment Note 2.3 (f)
- Intangible assets Note 2.3 (g)

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount 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. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculation. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of operations are recognised in the income statement.

For tangible/intangible assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

### **l) Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **m) Employee benefit**

#### ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into fund maintained by the Government of India and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in income statement in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### ***State administered provident fund***

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a pre-determined rate (currently 12%) of the employee's basic salary to a government recognised provident fund. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they accrue, i.e. when the services are rendered by the employees. Upon retirement or separation, an employee becomes entitled for this lump sum benefit, which is paid directly to the concerned employee by the fund.

#### ***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that

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employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value and reduced by the fair value of plan assets, if any. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by an actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the assets ceiling (if any, excluding interest), are recognized immediately in the Other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as expense immediately in the income statement.

### ***Other long term employee benefits***

Benefits under the Company's compensated absences constitute other long-term employee benefits.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed by an independent actuary using the projected unit credit method. Any actuarial gains or losses are recognised in the income statement in the period in which they arise.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### ***Short-term benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## **Great Eastern Energy Corporation Limited**

(All amounts in US dollars unless otherwise stated)

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### **n) 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 a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

### ***Decommissioning/Site restoration liability***

The Company records a provision for decommissioning/ site restoration costs of facility for the extraction of gas. The initial costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to these liabilities. The unwinding of the discount is expensed as incurred and recognised in the income statement as a finance cost. The estimated future costs are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

### **o) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements

### **p) Exploration and evaluation expenditure**

Exploration and evaluation cost are related to each exploration license ('block' or 'production sharing contract' or 'permit') are initially capitalised within 'intangible under development'. Such exploration and evaluation cost may include costs of license acquisition, technical services and studies, seismic acquisition, exploration drilling testing, directly attributable overhead and administrative expenses, including remuneration of personnel and supervisory management, and the projected cost of retiring the assets (if any), but do not include general prospecting or evaluation cost incurred prior to having obtained the legal rights to explore an area, which are expensed directly to the income statement as they are incurred.

### **q) Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employee.

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

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### 2.4 Changes in accounting policies and disclosures

#### Adoption of new and revised standards and pronouncements:

The Company has adopted with effect from 01 April 2018, the following new amendments and pronouncements.

#### ***IFRS 9 - Financial Instruments***

IFRS 9 has reduced the complexity of the current rules on financial instruments as mandated in IAS 39. It has fewer classification and measurement categories as compared to IAS 39. It eliminates the rule-based requirement of segregating embedded derivatives from financial assets and tainting rules pertaining to held to maturity investments. For financial assets which are debt instruments, IFRS 9 establishes a principle-based approach for classification based on cash flow characteristics of the asset and the business model in which an asset is held. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income on such equity investment would ever be reclassified to profit or loss. It requires the entity, which chooses to designate a liability as at fair value through profit or loss, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income. IFRS 9 replaces the 'incurred loss model' in IAS 39 with an 'expected credit loss' model. The measurement uses a dual measurement approach, under which the loss allowance is measured as either 12 month expected credit losses or lifetime expected credit losses. The standard also introduces new presentation and disclosure requirements.

For transition, the Company has elected to apply the limited exemptions in IFRS 9 relating to the classification, measurement and impairment requirements for financial assets and accordingly has not restated comparative periods.

The Company has adopted IFRS 9 from 01 April 2018. The areas impacted on adopting IFRS 9 on the Company are detailed below.

**Classification and measurement:** The measurement and accounting treatment of the Company's financial assets is materially unchanged.

**Impairment:** Based on the Company's assessment, under expected credit loss model, the impairment of financial assets held at amortised cost does not have a material impact on the Company's results, given the low exposure to counterparty default risk as a result of the credit risk management processes that are in place.

**Disclosures:** There have been additional disclosures that have now become applicable to the Company and the same have been included in these financial statements.

#### ***IFRS 15 - Revenue from Contracts with Customers***

This standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most current revenue recognition guidance. The core principle of the new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The new standard also results in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively including service revenues and contract modifications and improve guidance for multiple element arrangements. The Company adopts this new Standard from April 1, 2018 onwards.

In order to identify the impact of the standard on the Company's financial statements, the Company has analysed its contract with its customers. The work done was focused on evaluating the contractual arrangements across the Company's principal revenue stream, particularly key terms and conditions which may impact revenue recognition.

## **Great Eastern Energy Corporation Limited**

(All amounts in US dollars unless otherwise stated)

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Till March 31, 2018, Revenue from the sale of Coal Bed Methane ('CBM') and Compressed Natural Gas ('CNG') was recognised on sale of gas to customers at delivery point which coincided when persuasive evidence existed, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership had been transferred to the buyer. Based on the work carried out, the implementation of IFRS 15 had no material impact on the recognition and measurement of revenues, though there have been additional disclosure requirements for the Company to comply with.

The Company has not early adopted any other amendments, standards or interpretations that have been issued but are not yet effective. The Company plans to adopt new amendments, standards or interpretations as and when they become they effective.

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

### 2.5 New standards and interpretations not yet adopted

#### Recently issued accounting pronouncements and not effective for the year ended 31 March 2019:

Standards not yet effective for the financial statements for the year ended March 31, 2019	Effective for annual periods beginning on or after
IFRIC 23 Uncertainty over Income Tax Treatments	1 January, 2019
Amendments to IFRS 9 Prepayment features with Negative Compensation	1 January, 2019
Amendments to IAS 28 Long term interests in Associates and Joint Ventures	1 January, 2019
Annual improvements to IFRS standards 2015-2017 cycle	1 January, 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	1 January, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	1 January, 2020
Amendment to IFRS 3 Business Combinations	1 January, 2020
Amendments to IAS 1 and IAS 8: Definition of Material	1 January, 2020
IFRS 17 Insurance Contracts	1 January, 2021

Except specifically covered below, the Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on financial statements.

#### IFRS 16: Lease

IFRS 16, Leases, replaces the existing standard on accounting for leases, IAS 17. The Company will adopt IFRS 16 from 1 April 2019 under the modified retrospective approach, and accordingly the comparative figures will not be restated. For contracts in place at this date, the Company will continue 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 will 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. In contrast, the accounting requirements for lessors remain largely unchanged.

The Standard, in addition to increasing the Company's recognised assets and liabilities, impacts the classification and timing of expenses and consequently the classification between cash flow from operating activities and cash flow from financing activities. Many commonly used financial ratios and performance metrics, using existing definitions, will also be impacted including net debt, gearing, EBITDA, unit costs and operating cash flows. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

Information on the undiscounted amount of the Company's operating lease commitments under IAS 17 'Leases', the current leasing standard, is disclosed in note 28.

### 3 Financial risk management

#### Overview

The Company's activities are exposed it to a variety of financial risks that arise as a result of its exploration, development and production of CBM and CNG and also financing activities. These are as under:

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

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- a) Market risk
- b) Credit risk
- c) Liquidity risk
- d) Operational risk

### Risk management framework

This note presents information about the Company's exposure to each of the above risks, the Company's objectives; policies; and processes for measuring and managing such risks, and the Company's management of capital. Further, quantitative disclosures are included through these financial statements, wherever considered appropriate.

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company has a risk management policy including the following clauses to facilitate the Company to enter into Indian Rupee derivative transactions and arrangements pursuant to the guidelines/norms of Reserve Bank of India:

- (i) The risk limit for various risk exposures.
- (ii) Hedging in cases where currency of the hedge is different from the currency of the underlying exposure.
- (iii) Various types of cost reduction structure as permitted and defined by the Reserve Bank of India

The Board of Directors is also responsible for reviewing and updating the risk profile, monitoring the effectiveness of the risk management framework and reviewing at least annually the implementation of the risk management policy and framework.

The purpose of the Risk Management Committee is to assist the Board in fulfilling its corporate governance in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks.

The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company. The Risk Management Committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

The Board of Directors approves the Risk Management Policy and associated frameworks, processes and practices of the Company. There are periodic reviews to update the policy by the Board of Directors on its own, or as recommended by the risk management committee.

The Board reviews the performance of the Risk Management Committee annually.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. The Company's Risk management policies are to identify and analyse the risks faced by the Company, to set appropriate risk controls, and to monitor risks and adherence to market conditions and the Company's activities.

The Company has established policies covering all the financial risks, namely market risk, credit risk and liquidity risk.

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(All amounts in US dollars unless otherwise stated)

### Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in notes 2 to the financial statements.

#### a) Market risk

Market risk is the risk that arises from changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to interest rate risk that arises mainly from debt. The Company is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings fluctuate with changes in interest rates.

The Company is exposed to market risk with respect to change in foreign exchange rates.

#### i) Currency risk:

The Company's exposure to foreign currency risk arises from foreign-currency denominated liabilities on account of purchase of services and materials from foreign contractors and suppliers and foreign currency denominated borrowings. The Company does not hold any financial assets denominated in any currency other than INR.

The Company's exposure to foreign currency risk was based on the following amounts as at the reporting dates (in equivalent US dollars):

Financial liabilities	As at 31 March 2019		
	USD	Euro	GBP
Trade and other payables	197,117	-	13,081
Borrowings	-	22,300,930	-
	<b>197,117</b>	<b>22,300,930</b>	<b>13,081</b>

  

Financial liabilities	As at 31 March 2018		
	USD	Euro	GBP
Trade and other payables	251,406	-	21,890
Borrowings	-	25,420,082	-
	<b>251,406</b>	<b>25,420,082</b>	<b>21,890</b>

The following were the exchange rates against USD and EURO during the year:

	Average rate for the year ended 31 March		Reporting date spot rate as at 31 March	
	2019	2018	2019	2018
USD/INR	69.89	64.45	69.17	65.04
EUR/INR	80.92	75.42	77.70	80.62



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### Sensitivity analysis

A strengthening / weakening of the USD and Euro, as indicated below, against the INR as at 31 March 2019 and 31 March 2018 would have (decreased) / increased the profit after tax and equity by the amounts shown below (without considering any consequential impact). This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables remain constant.

	For the year ended 31 March	
	2019	2018
5 percent strengthening of USD against INR	(6,412)	(8,178)
5 percent strengthening of EURO against INR	(725,405)	(826,864)
5 percent weakening of USD against INR	6,412	8,178
5 percent weakening of EURO against INR	725,405	826,864

Any change in the exchange rate of INR against currencies other than USD and Euro is not expected to have material impact on the Company's profit or loss.

### ii) Interest rate risk

All the financial assets and financial liabilities of the Company are either interest-free or at a fixed rate of interest except for borrowings at various floating rates linked to prime lending rates of respective banks. The carrying value of these loans as at 31 March 2019 is USD 64,508,791 (31 March 2018: 66,405,381). Accordingly, the Company is exposed to cash flows interest rate risk on its loans.

The Company analyses its interest rate exposure regularly. Various scenarios are analysed taking into consideration such as refinancing, alternative financing, etc., based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift.

### Fair value sensitivity analysis for fixed rate instruments and derivative financial instruments

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit or loss and the Company does not designate derivatives as hedging instruments, under fair value hedge accounting model. Therefore, change in interest rate at reporting date will not affect profit or loss.

### Cash flow sensitivity analysis for variable rate instruments

A change of 100 bps in interest rates as at the reporting dates would have decreased/ (increased) profit after tax and equity by the amounts shown below:

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

As at 31 March 2019	Impact on profit or loss and equity	
	100 bps increase	100 bps decrease
Indian rupee loan	283,645	(283,645)
Euro loan	145,014	(145,014)

As at 31 March 2018	Impact on profit or loss and equity	
	100 bps increase	100 bps decrease
Indian rupee loan	278,125	(278,125)
Euro loan	165,316	(165,316)

### iii) Price risk:

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for CBM and CNG gas are impacted by not only the relationship between INR and US dollars and international market prices, but also economic events that dictate the levels of supply and demand.

The company did not have any receivables or contracts as at the year-end which had a provisional price which could be affected by fluctuations.

### b) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company makes advances to suppliers and vendors in the normal course of its business and generally requires bank guarantees from them against these advances. The Company also makes advances to employees and places security deposits with related parties and restricted margin money deposits with banks. The majority of Company's sale to its customer is on credit basis. In certain cases, customer provides bank guarantees against the sale made to them. These transactions expose the Company to credit risk on account of default by any of the counterparties. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of counterparties.

As at 31 March 2019, the Company has 1 customer (31 March 2018: 1 customer) that accounts more than 50% of the trade receivables.

The maximum amounts of exposures to credit risk as at the balance sheet date is disclosed in the fair value estimation section of this note.

The Company holds bank guarantees against trade receivables amounting to USD 342,724 (31 March 2018: USD 326,221). The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (where available) or to historical information about counterparty default rates. As per the terms and condition of the agreement the Company has the right to encash bank guarantee in case of any default.

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

During the year, based on specific assessment, the Company recognized bad debts and advances amounting to USD Nil (31 March 2018: USD Nil). The year-end trade receivables do not include any amount with such parties. The trade receivable include USD 69 (31 March 2018: USD 205) which is due for a period of more than six months. All other trade receivables were not due on the balance sheet date.

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

### c) Liquidity Risk

The Company's liquidity risk management policy involves management of short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining, banking facilities and reserve borrowing facilities by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's Finance department is responsible for managing the short-term and long-term liquidity requirements of the Company. The liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses on a regular basis. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. The Company also attempts to match its payment cycle with collection of gas revenue.

The contractual maturity profile (including interest) of the Company's obligations is as under:

As at 31 March 2019	Transaction currency	Carrying amount	Contractual maturities	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>Non -derivative financial liabilities</b>							
14% non-convertible redeemable debentures	INR	10,753,308	22,087,268	1,753,507	7,712,442	12,621,319	22,087,268
<b>Loans and Borrowings</b>							
Indian currency loan from banks and financial institutions	INR	46,478,785	78,762,389	12,236,150	35,411,909	31,114,330	78,762,389
External Commercial Borrowing	Euro	22,143,972	28,675,479	1,663,468	8,876,243	18,135,768	28,675,479
Vehicle Loan	INR	41,523	47,060	15,737	31,323	-	47,060
Loan from Director	INR	1,319,044	1,535,348	1,535,348	-	-	1,535,348
Trade and other payable	INR	3,779,435	3,779,435	3,779,435	-	-	3,779,435
<b>Total</b>		<b>84,516,067</b>	<b>134,886,978</b>	<b>20,983,645</b>	<b>52,031,916</b>	<b>61,871,417</b>	<b>134,886,978</b>

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(All amounts in US dollars unless otherwise stated)

As at 31 March 2018	Transaction currency	Carrying amount	Contractual maturities	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>Non -derivative financial</b>							
<b>Liabilities</b>							
14% non-convertible redeemable debentures	INR	11,800,941	25,722,059	1,909,376	7,920,699	15,891,983	25,722,058
<b>Loans and Borrowings</b>							
Indian currency loan from banks and financial institutions	INR	53,199,286	92,491,067	10,714,710	45,107,621	36,668,737	92,491,068
External Commercial Borrowing	Euro	25,228,854	33,438,886	1,857,804	8,631,254	22,949,828	33,438,886
Vehicle Loan	INR	56,527	66,785	16,736	50,048	-	66,784
Loan from Director		1,383,764	1,632,841	1,632,841	-	-	1,632,841
Trade and other payable	INR	5,307,597	5,307,597	5,307,597	-	-	5,307,597
<b>Total</b>		<b>96,976,969</b>	<b>158,659,235</b>	<b>21,439,064</b>	<b>61,709,622</b>	<b>75,510,548</b>	<b>158,659,234</b>

The Company expects to generate sufficient sales volume in the coming year, due to increase in demand, which will help settle these liabilities.

### Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the balance sheet. Currently, the Company primarily monitors its capital structure in terms of evaluating the funding of potential new investments.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is the sum of equity and debt as shown in the Statement of financial position.

	As at 31 March 2019	As at 31 March 2018
Interest bearing loans and borrowings	80,736,632	91,669,372
Less: cash and cash equivalents	19,295	1,108,569
Less: Other Bank balances	1,300,953	921,278
Less: Liquid investments	5,656,002	2,839,056
Less: Deposits with Non banking finance companies (NBFC)	4,153,431	-
<b>Net debt ( A)</b>	<b>69,606,951</b>	<b>86,800,469</b>
<b>Total equity ( B)</b>	<b>85,454,956</b>	<b>81,891,293</b>
<b>Total capital (C=A+B)</b>	<b>155,061,907</b>	<b>168,691,762</b>
<b>Capital Gearing Ratio(A/C)</b>	<b>0.45</b>	<b>0.51</b>

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(All amounts in US dollars unless otherwise stated)

### Fair value estimation

#### Fair Values

#### Fair Values Carrying Amounts

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 31 March 2019		As at 31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets Carried at fair value</b>				
Investments measured at FVTPL (measured using Level 1 valuation technique)	5,656,002	5,656,002	2,839,056	2,839,056
<b>Financial assets carried at amortised cost</b>				
Trade and other receivables	5,678,202	5,678,202	1,712,015	1,712,015
Deposits with banks( including restricted deposits)	1,300,953	1,300,953	1,960,362	1,960,362
Cash and cash equivalents	19,295	19,295	69,485	69,485
	<b>12,654,452</b>	<b>12,654,452</b>	<b>6,580,918</b>	<b>6,580,918</b>
<b>Financial liabilities carried at amortized cost</b>				
14% non-convertible redeemable debentures	10,753,308	10,774,829	11,800,941	11,839,431
Indian currency loan from banks and financial institutions	46,478,785	47,852,761	53,199,286	53,723,224
External Commercial Borrowing	22,143,972	22,300,930	25,228,854	25,228,854
Trades and other payables	3,779,435	3,779,435	5,307,597	5,307,597
Director Loan	1,319,044	1,319,044	1,383,764	1,383,764
Vehicle Loan	41,523	41,672	56,527	56,676
	<b>84,516,067</b>	<b>86,068,671</b>	<b>96,976,969</b>	<b>97,539,546</b>

#### Fair value hierarchy

The fair value hierarchy is based on 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)

#### Financial assets and liabilities at amortised cost:

Fair value of trade and other receivables, bank deposits, cash and cash equivalents, Director's loan, trade and other payables and Director 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 flows, a level 3 valuation technique.

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(All amounts in US dollars unless otherwise stated)

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### d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes; personnel; technology; and infrastructure, and from external factors (other than credit; market; and liquidity risks) such as those arising from perspective of legal and regulatory requirements and generally accepted standards of corporate behavior.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness.

The Company has an Internal Control Framework which identifies key controls and supervision of operational efficiency of designed key controls. The framework is aimed to providing elaborate system of checks and balances based on self-assessment. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements of appropriate segregation of duties, including the independent authorisation of transactions;
- requirements of reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements of periodic assessment of adequacy of controls and procedures to address the risks identified;
- requirements of reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance, where this is effective.

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## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

### 4 Property, plant and equipment

	Freehold land	Leasehold land (on finance lease)	Building *	Plant and machinery	Pipeline	Gas producing properties	Furniture, fixture & office equipment	Vehicles	Total
<b>Carrying amount as at 1 April 2017, net of accumulated depreciation/ depletion</b>	<b>703,469</b>	<b>1,523,855</b>	<b>3,323,778</b>	<b>18,568,979</b>	<b>18,185,371</b>	<b>91,742,220</b>	<b>118,051</b>	<b>203,930</b>	<b>134,369,653</b>
Additions during the year	-	-	-	278,460	467,176	-	6,226	-	751,862
Disposals/ retirements	-	-	-	-	-	-	-	(26,539)	(26,539)
Depreciation/ depletion charge for the year	-	(16,033)	(110,341)	(1,819,566)	(719,406)	(1,441,551)	(43,002)	(53,191)	(4,203,090)
Depreciation retirement	-	-	-	-	-	-	-	(20,888)	(20,888)
Exchange fluctuation	(2,261)	(4,443)	(9,220)	(43,119)	(53,633)	(269,033)	(30)	41,682	(340,057)
<b>As at 31 March 2018, net of accumulated depreciation/ depletion</b>	<b>701,208</b>	<b>1,503,379</b>	<b>3,204,217</b>	<b>16,984,754</b>	<b>17,879,508</b>	<b>90,031,636</b>	<b>81,245</b>	<b>144,994</b>	<b>130,530,941</b>
<b>Carrying amount as at 1 April 2018, net of accumulated depreciation/ depletion</b>	<b>701,208</b>	<b>1,503,379</b>	<b>3,204,217</b>	<b>16,984,754</b>	<b>17,879,508</b>	<b>90,031,636</b>	<b>81,245</b>	<b>144,994</b>	<b>130,530,941</b>
Additions during the year	-	-	-	201,134	-	34,197,004	8,981	42,460	34,449,579
Disposals/ retirements	-	-	-	(129,633)	-	-	(4,724)	(50,164)	(184,521)
Depreciation/ depletion charge for the year [refer 2.3 (f)]	-	(74,802)	(105,757)	(1,660,245)	(831,553)	(2,176,016)	(16,431)	(52,639)	(4,917,443)
Depreciation retirement	-	-	-	(90,611)	-	-	(13,942)	(47,656)	(152,209)
Exchange fluctuation	(41,776)	(90,633)	(192,418)	(847,124)	(1,076,206)	(5,042,296)	21,687	86,523	(7,182,243)
<b>As at 31 March 2019, net of accumulated depreciation/ depletion</b>	<b>659,432</b>	<b>1,337,944</b>	<b>2,906,042</b>	<b>14,458,275</b>	<b>15,971,749</b>	<b>117,010,328</b>	<b>76,816</b>	<b>123,518</b>	<b>152,544,104</b>
<b>As at 31 March 2018</b>									
Gross carrying amount	701,208	1,560,735	3,917,130	30,218,570	24,813,438	96,691,748	501,449	478,351	158,882,629
Accumulated depreciation	-	(57,356)	(712,913)	(13,233,816)	(6,933,930)	(6,660,112)	(420,204)	(333,357)	(28,351,688)
<b>Net Carrying amount</b>	<b>701,208</b>	<b>1,503,379</b>	<b>3,204,217</b>	<b>16,984,754</b>	<b>17,879,508</b>	<b>90,031,636</b>	<b>81,245</b>	<b>144,994</b>	<b>130,530,941</b>
<b>As at 31 March 2019</b>									
Gross carrying amount	659,432	1,467,455	3,683,246	28,487,892	23,331,878	125,471,446	474,445	442,006	184,017,800
Accumulated depreciation	-	(129,511)	(777,204)	(14,029,617)	(7,360,129)	(8,461,118)	(397,629)	(318,488)	(31,473,696)
<b>Net carrying amount</b>	<b>659,432</b>	<b>1,337,944</b>	<b>2,906,042</b>	<b>14,458,275</b>	<b>15,971,749</b>	<b>117,010,328</b>	<b>76,816</b>	<b>123,518</b>	<b>152,544,104</b>

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\* Building includes premises acquired for USD 88,261 (31 March 2018: USD 93,865) which are yet to be registered in the name of the Company.

### Well capitalization

During the year ended 31 March 2019, the Company has capitalized 34 wells (31 March 2018: Nil). All exploration/development cost involved in drilling, cementing, fracturing and drilling of exploratory core holes are initially considered as wells in progress (included in capital work-in-progress) till the time these are ready for commercial use when they are transferred to producing properties.

Depletion: Gas producing properties is depleted according to the 'Unit of Production' method by reference to the ratio of production in the year 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. These estimates are reviewed at least annually.

Refer note 12 of security details.

### 5 Capital work-in-progress (CWIP) (including Wells in progress)

	As at 31 March	
	2019	2018
<b>Opening balance</b>	<b>45,290,288</b>	<b>45,699,877</b>
Additions during the period	66,939	165,755
Capitalisation	(34,197,004)	(437,279)
Effect of movement in foreign exchange rates	(3,059,455)	(138,065)
<b>Closing balance</b>	<b>8,100,768</b>	<b>45,290,288</b>

Note:-

a. Management based on independent assessment of the wells in progress, is confident of putting the same to commercial production.

b. As at 31 March 2019, CWIP includes advances to capital equipment supply vendors amounting to USD 115,947 (31 March 2018: USD 238,653). Balance amount of CWIP represents value of wells in progress.

c. Refer note 12 for security details.



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### 6 Intangible assets

	Gas Exploration Right	Computer Software	Other Intangibles	Intangible under development*	Total
<b>As at 31 March 2017, net of accumulated amortization</b>	<b>142,102</b>	<b>27,306</b>	<b>1,689</b>	<b>809,579</b>	<b>980,676</b>
Additions during the year	-	5,263	-	-	5,263
Amortisation charge for the year	(9,309)	(10,822)	(475)	-	(20,606)
Exchange fluctuation	(352)	(35)	-	(2,489)	(2,876)
<b>As at 31 March 2018, net of accumulated amortization</b>	<b>132,441</b>	<b>21,712</b>	<b>1,214</b>	<b>807,090</b>	<b>962,457</b>
Additions during the year	-	-	-	-	-
Amortisation charge for the year	(8,585)	(8,164)	(438)	-	(17,187)
Exploration asset written off	-	-	-	(751,082)	(751,082)
Exchange fluctuation	(7,995)	(1,381)	(77)	(56,008)	(65,461)
<b>As at 31 March 2019, net of accumulated amortization</b>	<b>115,861</b>	<b>12,167</b>	<b>699</b>	<b>-</b>	<b>128,727</b>
<b>As at 31 March 2018</b>					
Cost	216,790	255,646	89,670	807,090	1,369,196
Accumulated amortization	(84,349)	(233,934)	(88,456)	-	(406,739)
<b>Net carrying amount</b>	<b>132,441</b>	<b>21,712</b>	<b>1,214</b>	<b>807,090</b>	<b>962,457</b>
<b>As at 31 March 2019</b>					
Cost	203,846	240,382	84,316	758,900	1,287,444
Accumulated amortization / write off	(87,985)	(228,215)	(83,617)	(758,900)	(1,158,717)
<b>Net carrying amount</b>	<b>115,861</b>	<b>12,167</b>	<b>699</b>	<b>-</b>	<b>128,727</b>

Refer note 12 for security details.

\*Refer note 29 of the financial statements.

### 7 Prepayments

	As at 31 March 2019	As at 31 March 2018
<b>Non-financial assets</b>		
Prepayments for leasehold land	313,268	352,061
Prepaid expenses	197,455	171,177
	<b>510,723</b>	<b>523,238</b>
<b>Less: Non current portion</b>		
- Prepayments for leasehold land	295,497	343,955
- Prepaid expenses	89,798	67,728
<b>Total non-current portion</b>	<b>385,295</b>	<b>411,683</b>
<b>Current portion</b>	<b>125,428</b>	<b>111,555</b>

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(All amounts in US dollars unless otherwise stated)

Prepayment for leasehold land primarily represents payments made for taking different pieces of land on lease for 25-59 years for the Company's site at Asansol, West Bengal, India. An amount of USD 17,589 (31 March 2018: USD 8,181) representing amortisation for the current year has been charged in the income statement.

Prepaid expenses include an amount of USD 31,227 (31 March 2018: USD 30,235) on account of rent paid in advance to a related party, YKM Holdings Private Limited (refer note 26).

Refer note 12 for security details.

### 8 Trade and other receivables

	As at 31 March 2019	As at 31 March 2018
<b>Financial assets</b>		
Trade receivables	1,270,699	1,510,646
Receivable towards minimum guarantee offtake	-	43,560
Unbilled revenue	6,950	17,416
Receivable from related parties (refer note 25)	31,227	30,235
Advances to employees	554	3,767
Security deposits	20,633	21,891
Interest receivable	134,081	28,465
Deposits with Non Banking Finance Companies (NBFCs)	4,153,431	-
Other receivable	60,627	56,035
	<b>(A) 5,678,202</b>	<b>1,712,015</b>
<b>Non-financial assets</b>		
Amount deposited with Government agencies under protest	72,286	95,326
	<b>(B) 72,286</b>	<b>95,326</b>
<b>Total trade and other receivables</b>	<b>5,750,488</b>	<b>1,807,341</b>
<b>Less: Non current portion:</b>		
Receivable from related parties (refer note 25)	31,227	30,235
Advances to employees	-	77
Security deposits	20,634	21,891
Amount deposited with Government agencies under protest	72,286	76,876
Other receivable	16,264	17,297
Deposits with NBFCs	1,262,004	-
<b>Total non-current portion</b>	<b>1,402,415</b>	<b>146,376</b>
<b>Current portion</b>	<b>4,348,073</b>	<b>1,660,965</b>

Notes:

- a. Trade receivables are interest bearing post the normal credit period of 3 to 15 days. Post credit period, interest is charged @ 15% p.a.

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- b. See note 3 (b) on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivable that are neither past due nor impaired.
- c. The other classes within trade and other receivables do not contain impaired assets.
- d. Refer note 12 for security details.

### 9a Liquid investments

	As at 31 March	
	2019	2018
<b>Investments</b>		
Investment carried at fair value through profit and loss		
Investment in mutual funds - Quoted		
ICICI Prudential Money market fund - Direct plan - Growth		
- 1,503,780 (31 March 2018: 767,897) units of market value USD 3.76 each (31 March 2018: USD 3.70 each)	5,655,992	2,839,046
ICICI Prudential liquid fund - Daily dividend		
- 6.608 (31 March 2018: 6.250) units of market value USD 1.45 each (31 March 2018: USD 1.54 each)	10	10
	<b>5,656,002</b>	<b>2,839,056</b>

### 9b Restricted deposits with banks

	As at 31 March	
	2019	2018
<b>Financial assets</b>		
Fixed deposits held as margin money	1,300,953	921,278
Total non-current portion	-	-
Current portion	1,300,953	921,278

All the restricted fixed deposits are denominated in INR.

These fixed deposits earn fixed interest at the respective bank deposit rates. These are margin money against debenture redemption, security release by bank and against bank guarantee issued by bank on behalf of the Company. Restrictions on such deposits are released on the expiry of terms of respective arrangements.

### 10 Cash and cash equivalents

	As at 31 March	
	2019	2018
<b>Financial assets</b>		
Cash in hand	809	1,644
Cash at banks	18,486	67,841
Deposits with original maturity of less than 3 months	-	1,039,084
	<b>19,295</b>	<b>1,108,569</b>

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(All amounts in US dollars unless otherwise stated)

- a. Cash at banks is non-interest bearing.
- b. Deposits earn fixed interest at the respective bank deposit rates.
- c. The carrying amounts of cash and cash equivalents are representative of their fair values as at the respective balance sheet dates. The same has been considered as cash and cash equivalent for the purpose of the statement of cash flows. The carrying amounts of the cash and cash equivalents are all denominated in INR.

## 11 Issued capital and reserves

### Share capital

	As at 31 March	
	2019	2018
<b><i>Authorised shares</i></b>		
70,000,000 (31 March 2018: 70,000,000 ordinary shares of INR 10 (equivalent to USD 0.22) each	15,857,418	15,857,418
	<b>15,857,418</b>	<b>15,857,418</b>
<b><i>Shares issued, subscribed and fully paid</i></b>		
59,561,950 (31 March 2018: 59,561,950 ordinary shares of INR 10 (equivalent to USD 0.22) each	13,306,007	13,306,007
	<b>13,306,007</b>	<b>13,306,007</b>

The Company has only one class of equity shares, having a par value of Rs.10 per share (USD 0.22). Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

43,193,995 equity shares (72.52% of total number of equity shares) represent 86,387,990 Global Depository Receipts (GDR) [31 March 2018: 43,193,995 equity shares (72.52% of total number of equity shares) represent 86,387,990 GDRs]. 2 GDRs are equivalent to 1 fully paid equity share of Rs. 10 (USD 0.22) each. The individual GDR holder do not have direct right to either attend the shareholder's meeting or vote therein. They are represented by the depository who represents the GDR holders at shareholder's meetings and votes on their behalf.

### Nature and purpose of reserves

#### Securities premium

Securities premium represents the premium paid by the shareholders on issue of shares and net of equity transaction cost. Under the Indian Companies Act, such a reserve has a restricted use like issuance of bonus shares, etc.

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### Debenture redemption reserve

Debenture redemption reserve represents the reserve created for the redemption of debentures issued during the financial year 2013-14. Under the Indian Companies Act 2013, such a reserve has a restricted use until the redemption of debentures and necessary additions are made basis maturity profile of the debentures.

### Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of these financial statements from functional currency to presentation currency

## 12 Interest bearing loans and borrowings (including accrued interest)

Financial liabilities	As at 31 March	
	2019	2018
<b>Non-current</b>		
14% non-convertible redeemable debentures	10,513,898	11,546,328
Indian currency loan from banks and financial institutions	40,123,438	49,192,906
External commercial borrowing	21,395,710	24,405,793
Vehicle loan	28,640	43,870
<b>Total non-current</b>	<b>72,061,686</b>	<b>85,188,897</b>
<b>Current</b>		
14% non-convertible redeemable debentures	239,410	254,613
Indian currency loan from banks and financial institutions	6,355,347	4,006,380
Directors loan	1,319,044	1,383,764
External commercial borrowing	748,262	823,061
Vehicle loan	12,883	12,657
<b>Total current</b>	<b>8,674,946</b>	<b>6,480,475</b>

Details of effective interest rates of loans and borrowings are given below:-

Category of loan	Currency	Maturity	As at 31 March 2019	As at 31 March 2018
Non-Convertible redeemable debentures [refer (a) below]	INR	31-Mar-30	14.28%	14.28%
External commercial borrowing [refer (b) below]	Euro	31-Mar-30	Margin 4.372% + 6 month Euribor	Margin 4.372% + 6 month Euribor
Indian rupee loan [refer (c) below]	INR	31-Mar-30	Respective bank base rate + 3%, 2.5%, 2.55%, approximately 12.30%	Respective bank base rate + 3%, 2.5%, 2.55%, approximately 12.30%
Indian rupee loan [refer (d) below]	INR	31-Mar-22	Base rate +	Base rate +

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(All amounts in US dollars unless otherwise stated)

Indian rupee loan [refer (e) below]	INR	05-Apr-27	4.80%	4.80%
		2-Jan-28	LFRR-3.95%	15.26%
		5-Nov-31	LFRR-2.95%	
Indian rupee loan [refer (f) below]	INR	08-Apr-21	LFRR-3.45%	
Indian rupee loan [refer (g) below]	INR	31-Mar-23	13.40%	13.40%
			Bank base rate	Bank base
			+ 3.20%	rate + 3.20%
Indian rupee loan [refer (h) below]	INR	31-May-21	15.35%	15.35%
Vehicle loan [refer (i) below]	INR	10-Mar-22	8.79%	8.79%

- (a) 14% non-convertible redeemable debentures of Rs. 1,000,000 each, redeemable at face value, were allotted during the year ended 31 March 2014.

During the financial year 2017-18, the Company opted for a scheme under RBI guidelines as “Flexible Structuring of Long Term Project Loans to Infrastructure and Core Industries”. Under the Scheme, the existing lender assessed that the Company is complying with all conditions as required as well as the Project is fundamentally, operationally and economically viable and capable of servicing loans over the extended period. So, the lender has extended the debentures for USD 12,730,627 (Rs. 828,000,000) upto March 2030.

The debentures are secured by way of pari-passu charge created as under:

- i) First ranking mortgage and charge over all the immovable and movable properties of the Company, both present and future, including without limitation, the land pertaining to the CBM Project save all immoveable properties of the Company situated at Mouza Ishwarpura, Taluka Kadi, District Mehsana, Gujarat;
- ii) First charge by way of hypothecation over all movable assets in relation to the CBM Project including, without limitation plant and machinery, machinery spares, tools and accessories, both present and future related to the CBM Project;
- iii) First ranking charge over the Participating Interest of the Company under the Product Sharing Contract (“PSC”);
- iv) Assignment of (a) all the Project Documents in relation to the Contract Area or the intended CBM Project at Raniganj Block, (b) all rights, titles, interests, benefits, claims, whatsoever of the Company, in all Project Documents, Insurances, Clearances and all interests of the Company relating to the CBM Project including without limitation any letter of credit, guarantee or performance bond provided by any party under the Project Documents and all rights, titles, interests, benefits, claims, whatsoever of the Issuer on the PSC;
- v) First charge on all book debts, operating cash flows, commissions, all revenues, receivables and other current assets of the Company from or in relation to the CBM Project of whatsoever nature and whenever arising, both present and future, tangible and intangible assets, including, without limitation any know how rights, patents and the goodwill, related to the CBM Project, both present and future; and
- vi) First charge on all the Company’s bank accounts including, without limitation, project capex account, Trust and Retention Account and the Accounts to be established by the Company in consultation with the lenders and the Debenture Trustee and each of the other accounts required to be created by the Company in

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accordance with the Finance Documents and under any project document or contract and all moneys lying therein and/or to be credited therein.

The company has prepaid part of the debentures during the current year.

- (b) During the year ended 31 March 2011, the Company had been sanctioned External Commercial Borrowings ('ECB') facility of EUR 36.50 million from ICICI Bank Ltd., Bahrain. Out of the sanctioned facility, the Company had drawn EUR 22.10 million on 29 December 2010, EUR 10 million on 7 July 2011 and Euro 4.40 million on 19 April 2012.

During the financial year 2016-17, the Company opted for a scheme under RBI guidelines as "Flexible Structuring of Long Term Project Loans to Infrastructure and Core Industries". Under the Scheme, the existing banks assessed that the Company is complying with all conditions as required as well as the Project is fundamentally, operationally and economically viable and capable of servicing loans over the extended period. So, the bank has extended the loan for Euro 21,900,000 upto March 2030.

The Company has hypothecated the following assets as security by way of a first charge in favour of the lender:

- i) All rights, titles, interest, benefits, claims and demands whatsoever of the borrower, in, to, under and/or in respect of the project documents and the clearances (both of the above hereinafter referred to as the "Contracts") whether now executed/ received or hereafter executed/ received and delivered, including without limitation, the right to compel performance thereunder, and to substitute, or to be substituted for, the borrower thereunder, and to commence and conduct either in the name of the borrower or in its own name or otherwise any proceedings against any person in respect of any breach of, the contracts and, including without limitation, rights and benefits to all amounts owing to, or received or recovered by, the borrower and all claims thereunder and all other claims of the borrower under or in any proceedings against all or any such persons and together with the right to further assign any of the contracts (collectively, the "First Hypothecated Properties");
- ii) All and singular the moveable properties, accounts, plant and machinery, all other tangible moveable assets (both present and future) and in particular including, without limitation, all moveable plant and machinery (whether attached or otherwise), hardware, computer software, interface software, wiring, electronics spares, machinery spares, tools, meters, telephones, motor vehicles, accessories and all other equipment, whether installed or not and whether lying loose or in cases or which are lying or are stored in or to be stored in or to be brought upon the project site or into any of the borrower's premises, warehouses, stockyards and godowns or those of the borrower's agents, affiliates, associates or representatives or at various work sites, or at any place or places wherever else situated or wherever else the same may be whether now belonging to or that may at any time during the continuance of this deed belong to the borrower and/or that may at present or hereafter be held by any party anywhere to the order and disposition of the borrower or in the course of transit or delivery and all replacements, conversions, realization or otherwise howsoever together with all benefits, rights, and all incidentals attached thereto which are now or shall at any time hereafter be owned by the borrower and the uncalled capital, intellectual property/ intellectual property rights, goodwill, permitted investments, and all the other investments, rights, title and interest in the undertakings of the borrower and all rights, title interest, property, claims, and demand, whatsoever of the borrower up to and upon the same whether presently in existence, constructed or acquired hereafter (collectively, the second "Second Hypothecated Properties");
- iii) All amounts, revenues, receipts and other receivables owing to, and received by, the Company from whosoever person, all rights, titles, interest, benefits, claims and demands whatsoever of the Company in,

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(All amounts in US dollars unless otherwise stated)

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to or in respect of all amounts owing to and received by, the Company from whomsoever person, including any amounts received by the Company under contract guarantees, performance bonds, letter of credit or receivables from the shareholders of the Company or otherwise, which description shall include all properties of the above description, including the accounts in which such amounts are held (including the Project Accounts), whether presently in existence or acquired hereafter, but excluding the Distribution Account (collectively the "Third Hypothecated Properties");

- iv) All amounts, revenues, receipts owing to/receivable and/or received by, the Company in relation to the Project or otherwise and all rights, titles, interest, benefits, claims and demands whatsoever of the Company in to or in respect of all amounts owing to/receivable and/or received by, the Company, both present and future, which description shall include all properties of the above description whether presently in existence or acquired hereafter (collectively, the "Fourth Hypothecated Properties"); and
- v) All the other moveable assets of the Company both present and future including the Distribution Account [other than the property effectively charged pursuant to the provisions of Sub-clause (i) through (iv) above], (collectively the "General Assets") provided that the charge created over the General Assets shall rank as a floating charge and shall not hinder the Company from dealing with the same or any part thereof in the ordinary course of its business in accordance with the terms of the Financing Documents and free of liens in each case unless the dealings have been restricted in accordance with the terms or its Deed or otherwise or the charge gets converted into a fixed charge and subject to and only as expressly permitted by the Financing Documents. The Company shall not, without the prior written consent of the lender, create or attempt to create any mortgage, charge, lien, pledge or hypothecation upon the General Assets.

The security interest created by the Company in favour of the lender on the hypothecated property by the deed rank pari passu with the security interest created/ to be created in favour of existing lenders and parallel lenders.

- (c) During the year ended 31 March 2012, the Company had been sanctioned Rupee Term Loan Facility equivalent to USD 37,669,126 (Rs. 2,450,000,000) from consortium of banks. The Company has drawn USD 36,687,609 (Rs. 2,386,162,091). As per the credit arrangement letter, the facility shall be secured by first ranking charge/ hypothecation/ mortgage/ assignment/ pledge/ security/ interest on the following, related to the project:

During the financial year 2016-17, the Company opted for a scheme under RBI guidelines as "Flexible Structuring of Long Term Project Loans to Infrastructure and Core Industries". Under the Scheme, the existing banks assessed that the Company is complying with all conditions as required as well as the Project is fundamentally, operationally and economically viable and capable of servicing loans over the extended period. So, all the consortium banks extended all Project loans of USD 28,440,012 (Rs. 1,849,738,396) upto March 2030.

- i) All the immovable properties (including leasehold rights in case of leasehold land) and assets of the borrower, present and future, in relation to the CBM project and all immovable properties of the borrower situated at Mouza Ishwarpura, Talukda Kadi, District Mehsana, Gujarat;
- ii) All the borrower's movable properties and assets (including intangible assets) in relation to the CBM project, present and future, including but not limited to plant and machinery, machinery spares, tools, spares, accessories and current assets;
- iii) All book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising of the borrower and all intangibles, goodwill, uncalled capital of the borrower, present



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and future, relating to the CBM project;

- iv) All accounts of the borrower wherever maintained, present and future, including but not limited to the Trust and Retention Account together with all accounts/ sub-accounts thereof, including Debt Service Reserve Account; and
- v) All rights, title, interest, benefits, claims and demands whatsoever of the borrower, present and future, in, to and in respect of the project documents including (but not limited to) all insurance contracts, clearances and CBM contract(s), and any letters of credit, guarantees or performance bonds provided by any party to any project documents in favour of the Borrower and all benefits incidental thereto.

The aforesaid security will rank pari passu with the security interest created/ to be created in favour of participating lenders.

- (d) Secured Indian Rupee loan equivalent to USD 9,225,093 (Rs. 600,000,000) repayable in 14 variable quarterly instalments starting from 31 December 2018. The same is secured by first ranking mortgage/charge/security interest on a pari passu basis on the following
  - i) All the immovable properties and movable properties and assets related to CBM block in West Bengal, both present and future;
  - ii) All rights, title, interest, benefits, claims and demands whatsoever of PSC of CBM block in West Bengal; and
  - iii) All the revenues and receivables of the company
- (e) Unsecured Indian Rupee loan is secured by first charge by way of mortgage of plot owned by YKM Holdings Private Limited and situated at Shivaji Marg, Rangpuri, New Delhi.
- (f) Unsecured Rupee Term loan of USD 1,383,764 (Rs. 90,000,000) is repayable in 60 equal installments commencing from 8 May 2016. As per the credit arrangement letter, the facility shall be secured by the following:
  - i) First charge by way of mortgage of office space admeasuring 7,138 sqft. owned by YKM Holdings Private Limited and situated at Gurgaon (Haryana);
  - ii) Personal guarantee of Mr. Yogendra Kr. Modi, Mr. Prashant Modi and YKM Holdings Pvt. Ltd.; and
  - iii) Demand promissory note for the principal and the interest repayment.
- (g) Secured Indian Rupee loan of USD 7,687,577 (Rs. 500,000,000) is repayable in 25 quarterly installments commencing from 31 March 2017. As per the credit arrangement letter, the facility shall be secured by first ranking charge/ hypothecation/ mortgage/ assignment/ pledge/ security/ interest on the following, related to the project:
  - i) All the current assets of the borrower in favour of bank on pari passu basis to the CBM project without limitation non-convertible debenture holder of the borrower;
  - ii) All the immovable properties of the borrower in favour of bank on pari passu basis to the CBM project without limitation non-convertible debenture holder of the borrower;

## Great Eastern Energy Corporation Limited

(All amounts in US dollars unless otherwise stated)

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- iii) All the participating interest and projects documents under the contract for exploration of CBM with Ministry of Petroleum and Natural Gas, Government of India in favour of bank on pari passu basis without limitation non-convertible debenture holder of the borrower; and
- iv) First charge on fixed deposit amounting to USD 38,437 (Rs. 2,500,000).
- (h) During the financial year 2016-2017, the Company had been sanctioned Rupee Term Loan Facility equivalent to USD 7,687,577 (Rs. 500,000,000). The Company has drawn USD 6,150,061 (Rs. 400,000,000). The above term loan is repayable in 36 monthly installments commencing from 30 June 2018. As per the credit arrangement letter, the facility shall be secured by first ranking charge/ hypothecation/ mortgage/ assignment/ pledge/ security/ interest on the following, related to the project:
  - i) First pari-passu charge over all the immovable properties of the company including all that piece and parcels of land in relation to CBM project in the state of West Bengal together with building, plant and machinery and all present and future erections, constructions, structures of any nature over / under / in relation to aforesaid land;
  - ii) First pari-passu charge over all movable fixed and current assets (both present and future) of the borrower including without limitation in relation to the CBM projects;
  - iii) First pari-passu charge on all rights, title, interest and entitlements in relation to the CBM projects;
  - iv) First pari-passu charge on all rights, title, interest, benefits, claims and demands of the borrower in the project documents viz. PSC etc relating to CBM projects;
  - v) First pari-passu charge on TRA Account;
  - vi) Personal guarantee by the Promoter and Key management personnel, Mr. Y K Modi;
  - vii) Assignment by way of security of insurance policies in relation to all the aforesaid assets;
  - viii) Demand Promissionary Note and Letter of Continuity for the Facility;
- (i) Vehicle loan is secured by way of hypothecation of specific vehicle.
- (j) The Company has availed an unsecured loan from directors carrying an interest of 18% p.a. and payable monthly. The loan is repayable on demand.

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### (k) Movement in debts

	Debt carrying value		
	Debt due within one year	Debt due after one year	Total
At 1 April 2017	7,330,287	87,701,066	95,031,353
Cash Flow	767,144	(6,561,211)	(5,794,066)
Other non-cash changes*	(632,948)	797,473	164,525
Foreign exchange currency translation differences	(984,008)	3,251,568	2,267,560
At 31 March 2018	6,480,475	85,188,897	91,669,372
Cash Flow	(4,562,126)	(381,647)	(4,943,773)
Other non-cash changes*	7,124,242	(6,776,055)	348,187
Foreign exchange currency translation differences	(367,646)	(5,969,509)	(6,337,155)
At 31 March 2019	8,674,945	72,061,686	80,736,631

\*Other non-cash changes represents interest accretion on debts and movement from current to non-current portion of borrowing due to extension of repayment period.

### 13 Employee benefit liabilities

	As at 31 March	
	March	March
	2019	2018
Gratuity payable (defined benefit plan)	554,797	466,177
Compensated leave absences	533,346	602,883
	<b>1,088,143</b>	<b>1,069,060</b>
<b>Less: Non current portion</b>	448,440	351,227
<b>Current portion</b>	<b>639,703</b>	<b>717,833</b>

The following tables summarize the components of gratuity expense recognised in the income statement and the other comprehensive income and the amounts recognised in the balance sheet for the respective plans

	For the year ended 31 March	
	2019	2018
Current service cost	47,030	45,157
Interest cost on benefit obligations	33,055	36,026
Remeasurements (Gains) / losses recognised in the year	44,238	(43,489)
	<b>124,323</b>	<b>37,694</b>
Charged to the income statement	80,085	81,183
Charged to other comprehensive income	44,238	(43,489)
	<b>124,323</b>	<b>37,694</b>

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Changes in the present value of the defined benefit obligation are as follows:

	As at 31 March	
	2019	2018
Opening defined benefit	466,177	499,970
Current service cost	47,030	45,157
Interest cost	33,055	36,026
Remeasurements (Gains)/ losses arising from		
- experience adjustment	44,238	(43,489)
Exchange fluctuation	(26,635)	(1,242)
Benefits paid	(9,068)	(70,245)
<b>Closing defined benefit obligation</b>	<b>554,797</b>	<b>466,177</b>

Gratuity is an unfunded obligation and accordingly disclosures with respect to the plan assets are not applicable.

The principal actuarial assumptions used for gratuity were as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
	Salary growth	6.00%
Inflation factor	6.00%	6.00%
Discount rate	7.70%	7.70%
Mortality rates have been taken as per	IALM Ultimate 2006-2008	IALM Ultimate 2006-2008

The Actuarial valuation is carried out annually by an independent actuary. The discount rate used for determining the present value of obligation under the defined benefit plan is determined by reference to market yields at the end of the reporting period on Indian Government Bonds. The currency and the term of the Government Bonds are consistent with the currency and term of the defined benefit obligation.

The salary growth rate takes into account inflation, seniority, promotion and other relevant factor on long term basis.

### Sensitivity analysis

A quantitative sensitivity analysis of the changes in the defined benefit obligation due to changes in significant assumptions are shown below:

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(All amounts in US dollars unless otherwise stated)

### As at 31 March 2019

	1% increase	1% decrease
Discount rate	(68,225)	83,568
Future salary growth	83,649	(69,375)
Withdrawal rate	15,999	(10,666)

### As at 31 March 2018

	1% increase	1% decrease
Discount rate	(113,263)	139,960
Future salary growth	140,109	(115,168)
Withdrawal rate	27,503	(18,335)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the Balance Sheet.

The method and types of assumptions used in the preparing the sensitivity analysis did not change compared to the prior period.

### Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities.

**Inflation risks:** In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

**Life expectancy:** The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

### Maturity profile of defined benefit obligation:

Year	As at 31 March	
	2019	2018
April 2019 to March 2020	106,357	114,950
April 2020 to March 2021	5,083	3,919
April 2021 to March 2022	6,872	3,889
April 2022 to March 2023	5,031	5,344
April 2023 to March 2024	5,103	3,853
April 2024 onwards	426,351	334,222
<b>Total</b>	<b>554,797</b>	<b>466,177</b>

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### Compensated absences plan

The liability for the compensated absences plan is USD 533,346 (31 March 2018: USD 602,883). During the year, USD (22,503) (31 March 2018: USD 6,159) has been charged/(credited) to income statement on account of the compensated absences plan.

Other employee benefit contribution plan:

### Defined contribution plans - Provident fund

The liability for provident fund payable is USD 37,691 (31 March 2018: USD 32,809). The Company contributed USD 222,622 (31 March 2018: USD 212,045) to the Provident fund which has been charged to income statement.

## 14 Trade and other payables

	As at 31 March	
	2019	2018
<b>Financial liabilities</b>		
Trade payables for goods and services	2,621,629	3,123,118
Payable to related parties (refer note 25)	649,521	624,943
Employee benefit liability	246,010	249,367
Security deposits	242,132	264,827
Payable on settlement of Derivative Liability	-	1,023,985
Other liabilities	20,143	21,357
<b>(A)</b>	<b>3,779,435</b>	<b>5,307,597</b>
<b>Non-financial liabilities</b>		
Statutory dues	278,874	248,555
Advances from customers	133,879	3,723,801
<b>(B)</b>	<b>412,753</b>	<b>3,972,356</b>
<b>(A+B)</b>	<b>4,192,188</b>	<b>9,279,953</b>
<b>Less: Non current portion:</b>	-	-
<b>Current portion</b>	<b>4,192,188</b>	<b>9,279,953</b>

Terms and conditions of the above financial liabilities:

- Trade payable and other liabilities are non-interest bearing and repayable within 60 days.
- Security deposits have been received from contractors and are repayable on demand and do not carry interest.
- Employee benefit liabilities are payable over the next 0-180 days without interest.

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### 15 Provisions

#### Movement in provision for site restoration

	As at 31 March	
	2019	2018
Opening balance	257,381	263,234
Addition during the year	-	-
Effect of discounting	3,841	5,090
Effect of movement in foreign exchange rates	(15,327)	(10,943)
Closing balance	245,895	257,381
Less: Non current portion	245,895	257,381
Current portion	-	-

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.

Since there have been no additional drillings in the current year, management is not expecting any material change to the gross undiscounted decommissioning liability.

### 16 Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same authority.

The break-up of deferred tax assets and liabilities is as follows:

	As at 31 March	
	2019	2018
<b>Deferred tax liabilities:</b>		
Deferred tax liabilities	26,347,997	25,534,026
<b>Deferred tax assets:</b>		
Deferred tax assets	(24,187,780)	(25,746,065)
<b>Deferred tax (Assets) / liabilities (net)</b>	<b>2,160,217</b>	<b>(212,039)</b>

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The gross movement on deferred income tax account is as follows:

	<u>Property, plant and equipment</u>
<b>Deferred tax liabilities</b>	
<b>At 1 April 2017</b>	<b>22,924,206</b>
Additions/ (reversal) during the year	2,704,914
Exchange differences	(95,094)
<b>At 31 March 2018</b>	<b>25,534,026</b>
Additions/ (reversal) during the year	2,321,714
Exchange differences	(1,507,743)
<b>At 31 March 2019</b>	<b>26,347,997</b>

Particulars	Employee benefits	Unabsorbed depreciation	Exploration assets	Others	Minimum alternate tax (MAT)	Total
<b>Deferred tax assets</b>						
<b>At 1 April 2017</b>	<b>283,940</b>	<b>17,711,594</b>	<b>-</b>	<b>74,982</b>	<b>6,731,817</b>	<b>24,802,333</b>
Additions/(reversals) during the year	(10,676)	575,268	-	3,526	461,219	1,029,337
Exchange differences	(776)	(59,682)	-	(263)	(24,884)	(85,605)
<b>At 31 March 2018</b>	<b>272,488</b>	<b>18,227,180</b>	<b>-</b>	<b>78,245</b>	<b>7,168,152</b>	<b>25,746,065</b>
Additions/(reversals) during the year	85,994	(5,396,767)	267,922	(2,053)	1,942,322	(3,102,582)
Exchange differences	21,758	1,121,143	(2,732)	4,665	399,463	1,544,297
<b>At 31 March 2019</b>	<b>380,240</b>	<b>13,951,556</b>	<b>265,190</b>	<b>80,857</b>	<b>9,509,937</b>	<b>24,187,780</b>

Additions / reversals during the year in deferred tax assets and liabilities have been recognised in the income statement except for a credit of USD 15,459 (previous year charge of USD 15,051) on employee benefits which has been recorded in OCI.

MAT assets represents tax paid to the Indian government which are allowed to be set off against regular tax liabilities in future years. The period of origination and carryforward are as below:

Amounts in USD	Year of origination	Available for utilization till
461,866	2012-13	2027-28
3,138,679	2013-14	2028-29
2,489,500	2014-15	2029-30
217,683	2015-16	2030-31
429,589	2017-18	2032-33
2,772,620	2018-19	2033-34
<b>9,509,937</b>		

The Company basis its current gas reserve estimates and business plan is hopeful of realising the same in the available carry forward period, considering the significant time gap between the expected time of utilisation and the permissible carry forward period. A 15% deviation in the business plan will have no bearing in the realisability of these deferred tax assets. The Company does not have any unrecognised deferred tax assets.



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The tax expense in the income statement for the year differs from the standard tax rate of corporate tax in India.

Reconciliation between tax (expense) income and the product of accounting profit (loss) multiplied by India's standard corporate tax rate of 34.944% (31 March 2018: 34.608%) is as follows:

	For the year ended 31 March	
	2019	2018
(Loss) / profit before tax:	13,489,724	2,961,146
Tax credit/ (expense) at domestic tax rate	(4,713,849)	(1,024,793)
Tax effects of:		
- Non-deductible expenses	(302,584)	(45,215)
- Changes in tax rate	(62,912)	123,544
- Carried forward tax losses lapsed	-	(1,182,268)
<b>Tax (charge) / income</b>	<b>(5,079,345)</b>	<b>(2,128,732)</b>

	For the year ended 31 March	
	2019	2018
<b>Income tax expense / (income)</b>		
Current tax expense	(2,744,057)	(461,221)
Deferred tax (expenses)/ income	(2,335,288)	(1,667,511)
	<b>(5,079,345)</b>	<b>(2,128,732)</b>

### 17 Other income

	For the year ended 31 March	
	2019	2018
Miscellaneous income	114,903	28,759
Net gain on financial instruments measured at fair value through profit or loss	490,781	152,346
	<b>605,684</b>	<b>181,105</b>

### 18 Employee benefit expenses

	For the year ended 31 March	
	2019	2018
Wages and salaries	3,771,928	3,739,903
Defined contribution plans (refer note 13)	222,622	212,045
Provision for gratuity (refer note 13)	80,085	81,183
Staff Welfare	6,267	4,927
	<b>4,080,903</b>	<b>4,038,058</b>

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### 19 Other expenses

	For the year ended 31 March	
	2019	2018
Stores and spares consumed	868,418	1,008,922
Workover expenses	597,761	769,067
Audit fees	112,799	112,441
Electricity charges	21,166	24,159
Repairs and maintenance	1,221,460	1,401,845
Insurance	73,232	77,934
Operating lease rentals	170,405	177,399
Rates and taxes	119,125	63,985
Postage, printing and stationery	8,206	7,775
Telephone charges	36,513	38,813
Travelling and conveyance	506,866	488,783
Advertisement and publicity	1,431	428
Consultancy charges	352,058	441,551
Survey and information expenses	76,649	94,548
Fee and legal charges	721,986	559,178
Sitting fees/ commission paid to non-executive directors (refer note 25)	89,484	74,879
Hire charges	557,416	583,566
Security expenses	2,414,380	2,660,020
Selling and distribution expenses	253,406	294,540
Royalty	2,456,495	2,350,713
Production level payment	614,124	587,678
Conference and subscription	21,566	31,414
Loss on sale of property, plant and equipments	-	609
Excise duty on sales	265,928	239,401
Miscellaneous expenses	130,682	338,806
	<b>11,691,556</b>	<b>12,428,454</b>

### 20 Finance income

	For the year ended 31 March	
	2019	2018
Interest on bank deposit	215,848	82,666
Interest from others	-	16,030
	<b>215,848</b>	<b>98,696</b>

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### 21 Finance cost

	For the year ended 31 March	
	2019	2018
Interest on financial liabilities	9,543,286	11,304,237
Interest others	155,691	47,245
Unwinding of discount on site restoration cost	3,841	-
Bank charges	31,716	25,356
	<b>9,734,534</b>	<b>11,376,838</b>

### 22 Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted income EPS computation.

	For the year ended 31 March	
	2019	2018
Profit after tax attributable to equity share holders for the year	8,410,379	832,414
Weighted average number of ordinary shares for basic and diluted earnings per share	59,561,950	59,561,950
Face value of share (INR)	10	10
Basic and diluted earnings per share (USD)	0.14	0.01

### 23 Contingent Liabilities

Based on a review of the legal position, the management believes that it is possible but not probable, that the demands mentioned below will arise and accordingly no provision for any liability has been made in these financial statements.

- (i) Petroleum and Natural Gas Regulatory Board (“PNGRB”) issued notice to the Company on 3 December 2010 to stop incremental activity of laying pipeline in Durgapur area. The Company objected to PNGRB’s notice on the ground that the pipeline laid by the Company is neither a ‘Common Carrier’ nor a ‘Contract Carrier’, but a dedicated pipeline and challenged the jurisdiction of PNGRB on this matter. As per the provisions of the Contract for exploration and production of CBM gas signed with the Government of India (“GOI”) on 31 May 2001 (“Contract”), the Company is authorised to lay, build, operate and expand the pipelines within and outside the contract area. The Company had obtained legal opinion from Ex Chief Justice of Supreme Court of India confirming the Company’s stand that the pipeline laid by the Company is in accordance with the terms and conditions of the Contract which principally governs the entire project.

PNGRB passed an Order against the Company on 18 March 2011 which was challenged by the Company before the Hon’ble High Court of Delhi. The Hon’ble High Court in its Order dated 11 November 2013 directed PNGRB to decide matter afresh. Thereafter, a hearing was conducted by PNGRB and on 31 March 2014 it again passed a fresh order declaring the pipelines of the Company as Common Carrier

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and further levied penalty of USD 144,471 (Rs. 10,000,000) and a penalty of USD 2,891 (Rs. 200,000) per day. The Company challenged the same in Delhi High Court and the Court vide its order dated 28 April 2014 directed PNGRB not to take any coercive action against the Company. It further directed that the Company shall continue to supply the gas as of today through existing pipeline. No incremental activity shall be undertaken by the Company, however, in case of any such proposed activity, the Company shall seek permission of the Delhi High Court. The writ petition is currently pending in the Delhi High Court for final hearing. The management believe that the Company has a strong case in its favour.

- (ii) One of the Contractor, D.S. Steel had filed a suit against the Company before the Civil Judge, Asansol for recovery of a sum of USD 115,855 (Rs. 8,013,685) along with interest at the rate of 18% p.a. till realization for non-payment of bills for developing wells and enabling drilling to extract methane gas from certain sites. The Court passed the judgement in favour of the Contractor on 22 December 2015 for a sum of USD 85,509 (Rs. 5,914,685) along with interest @ 9% p.a. from the date of filing the suit till realization of the claim. The Company has preferred the appeal before the Hon'ble High Court of Calcutta. The appeal is pending before the Hon'ble High Court of Calcutta. The Company is of the strong view of being successful in the matter.
- (iii) Jakson Limited had initiated arbitration against the Company claiming a sum of USD 150,265 (Rs. 10,393,826) along with interest @ 15% p.a. towards unpaid sale price for Gas Generator sets supplied. The Company has disputed the claim of the vendor and has filed its counter claim to the tune of USD 16,765,727 (Rs. 1,159,685,351) against the vendor seeking damages, refund of advance paid and recovery of losses caused by various acts and omissions of vendor in relation to the contract terms. The matter is at the stage of evidence before the Arbitration Tribunal. The Company is of the strong view that it will be able to recover its claims.
- (iv) Goel Constructions (India) Limited ("Goel") was awarded a construction contract by the Company. As per the terms of the Contract, Goel was required to complete the entire work within the time frame specified in the work order. But Goel was not able to do so even after the extension was granted and additional payment made.

Goel Construction initiated arbitration proceedings claiming an amount of USD 408,522 (Rs. 28,257,466) along with interest at the rate of 18% under the various heads. The Company filed counter claim of USD 86,015 (Rs. 5,949,623). The Arbitration is currently pending and is at argument stage. The Company is of the strong view that it will be able to recover its claims.

- (v) M/s Sopan Projects ("Sopan") filed a statement of claim for goods and services provided to the Company for USD 1,181,387 (Rs. 81,716,509) plus interest in GGS (North) matter before the Arbitration Tribunal. The Company filed its counter claim of USD 18,019,100 (Rs. 1,246,381,155) against Sopan for deficiency in services. The Arbitrator has passed an award dated November 10, 2017 in the GGS (North) matter against the Company. Aggrieved by the said Award, the Company filed a petition to set aside the award in the Delhi High Court. Sopan has also filed a petition to set aside the said award before the Delhi High Court.

In August 2016, Sopan has filed two separate claim petitions before the Arbitration Tribunal for USD 2,175,084 (Rs. 150,450,546) along with interest and USD 266,526 (Rs. 18,435,619) alongwith interest for GGS (South) and MDPE Pipelines matters respectively. The Company has filed Counter Claims to the tune of USD 6,078,806 (Rs. 420,471,015) plus interest and USD 1,230,186 (Rs. 85,091,970) plus interest respectively. In respect of GGS (South) matter the Arbitration Tribunal has reserved the award. The MDPE Pipeline matter is currently at evidence stage before the Arbitration Tribunal. The Company is of the strong view that it will be able to recover its claims.

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(vi) Directorate General of Hydrocarbons ("DGH") has demanded additional Production Level Payment ("PLP") of USD 1,652,619 (Rs. 114,311,686) for the financial years from 2007-08 to 2016-17. The contention of DGH was that the Company has not obtained any approval for compression and transportation from any authority as mentioned in the approval letter dated 14 February 2008. The Company has obtained price approval from MoPNG as per the provisions of the CBM contract. The Company believes that none of the clauses of CBM contract dated 31 May 2001 makes it mandatory on the Company to seek any further approval before claiming any deductions from any entity/authority. The Company has clarified the position to DGH vide its various letters.

(vii) (a) Excise Department has issued various Show Cause notices / demand levying excise duty on certain sales amounting to USD 1,101,430 (Rs. 76,185,902) for the period from September 2007 to June 2017. The Company has clarified the position to the department and is of the strong view that no liability shall arise.

(b) The Company has received show cause notice / demand levying service tax on payment of service tax on payment of Royalty & Production level payment amounting to USD 388,564 (Rs. 26,876,983) from April 2016 to June 2017. The Company has clarified the position to the department and is of strong view that no liability shall arise.

(viii) SRMB Srijan Limited ("SRMB") was one of the customers of the Company and the Gas Sale Purchase Agreement ("GSPA") was signed between the parties in 2011 which was valid till 30 April 2034. In 2014, a dispute arose between the parties with regard to the commercial terms of the GSPA.

The Company initiated arbitration proceedings and filed a claim of USD 58,700,542 (Rs. 4,060,316,520) largely towards Minimum Guarantee Offtake ("MGO") along with interest and SRMB filed its counter claim of USD 16,538,654 (Rs. 1,143,978,731) along with interest. The Company is of the strong view that the Company would be able to recover its claim. The matter is currently pending at arguments stage before the Arbitration Tribunal.

(ix) (a) The Company has outstanding income tax demand of USD 276,752 (Rs. 19,142,924) pertaining to AY 2015-16 for which relevant appeals have been preferred before the Commissioner of Income tax (appeals). The Company believes that this demand is not tenable and accordingly no provision is considered necessary.

(b) The Company has preferred appeals before relevant income tax authorities, for various disallowances arising for assessment / appeal proceedings, pertaining to the period AY 2011-12 to AY 2015-16 of USD 790,896 (Rs. 54,706,280). Since the Company has substantial carried forward unabsorbed depreciation, the above additions (if fructified) would be set off against the same and no economic outflow of resources is expected.

(x) The Company has other claims amounting to USD 72,688 (Rs. 5,027,852) to the extent quantified.

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### 24 Capital and other commitments:

	As at	
	31 March 2019	31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- For land	15,222	45,309
- For others	879,720	455,426
	<b>894,942</b>	<b>500,735</b>

### 25 Related party disclosures

#### a) Related parties where control exists:

##### 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 transaction have taken place during the year and the nature of related party relationship:

Key managerial personnel and their relatives	<ul style="list-style-type: none"><li>Mr. Yogendra Kr. Modi - Executive Chairman</li><li>Mr. Prashant Modi - Managing Director and Chief Executive Officer</li><li>Mr. Ashok Jha - Independent Director (Till 26 July 2018)</li><li>Mr. G.S Talwar - Independent Director</li><li>Mr. S. Sundareshan - Independent Director</li><li>Mr. Sushil Kumar Roongta - Independent Director</li><li>Ms. Prarthana Modi (daughter of Mr. Yogendra Kr. Modi)</li></ul>
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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.	<ul style="list-style-type: none"><li>YKM Holdings Private Limited</li></ul>
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#### b) The following tables provide the total amount of transactions which have been entered into with related parties during the years ended 31 March 2019 and 2018.

Related Party	Nature of transaction	For the year ended 31 March	
		2019	2018
YKM Holdings Private Limited	Lease rentals	142,836	157,769
	Reimbursement of expenses	27,523	22,285
	Security deposit paid	2,769	-
	Advance rent paid	2,769	-

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(All amounts in US dollars unless otherwise stated)

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

	For the year ended 31 March	
	2019	2018
Short term employee benefits	1,332,591	1,073,153
Defined contribution plan	94,829	122,872
Commission	67,535	54,926
Consultancy charges	3,577	1,616
Interest paid	231,793	248,641
	<b>1,730,325</b>	<b>1,501,208</b>

- In addition to above payments, the Company has also paid USD 21,949 (31 March 2018: USD 19,953) as sitting fees to the non-executive directors for attending various meetings and the same are included in 'other operating expenses' in the income statement (refer note 19).

- Remuneration does not include provision made for gratuity and leave encashment as they are determined for the company as a whole

Also refer note 12 with respect to guarantee given by Mr. Yogendra Kr. Modi and Mr. Prashant Modi and other charges created on the assets/ cash flows of YKM Holdings Private Limited for the loan taken by the Company and are outstanding at the year end and note 12 (j) for terms of borrowings obtained from them.

### d) The following tables provide the total amount outstanding with related parties:

	As at 31 March 2019		As at 31 March 2018	
	Receivable	Payable	Receivable	Payable
YKM Holdings Private Limited (refer notes 7, 8)*	62,455	-	60,470	-
Mr. Yogendra Kr. Modi (refer note 12,14)	-	1,308,917	-	1,330,544
Mr. Prashant Modi (refer note 12,14)	-	659,713	-	678,163
Ms. Prarthana Modi	-	271	-	1,602
	<b>62,455</b>	<b>1,968,901</b>	<b>60,470</b>	<b>2,010,309</b>

\*Amounts recoverable from YKM Holdings Private Limited consists of USD 31,227 (31 March 2018: USD 30,235) on account of security deposits paid for property taken on lease, recoverable on expiry of lease agreement (refer note 8) and USD 31,227 (31 March 2018: USD 30,235) on account of advance rent paid, adjustable against future occupation of property taken on lease (refer note 7). Amount payable to Mr. Yogendra Kr. Modi and Mr. Prashant Modi includes outstanding borrowings payable by the Company of USD 1,025,923 (31 March 2018: USD 1,076,261) and USD 293,456 (31 March 2018: USD 307,503) respectively.

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

Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: USD Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related party operates.

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(All amounts in US dollars unless otherwise stated)

### 26 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 India. Revenue of approximately USD 25,765,931 (31 March 2018: USD 28,550,167) is from 1 customer (31 March 2018: 2) customers. No other customer contributes to 10% or more of the total sales.

All of the non-current assets other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising under insurance contracts) are located in India and amounted to USD 162,561,309 (31 March 2018: USD 177,211,116).

### 27 Revenue

The details of gas sold during the year ended 31 March 2019 and 2018 are as follows:

	For the year ended 31 March		For the year ended 31 March	
	2019	2018	2019	2018
	(Amount in USD)		(in Standard Cubic Meters)	
Coal bed methane	37,418,129	36,524,157	115,187,895	107,222,444
Compressed natural gas	2,165,415	1,949,411	3,486,262	3,245,368
	<b>39,583,544</b>	<b>38,473,568</b>	<b>118,674,157</b>	<b>110,467,811</b>

The above revenues are recorded at point in time.

Other operating revenue represents minimum guarantee income charged from the customers when they are unable to lift the minimum contracted quantities. These revenues are recorded over a period of time. Also refer note 30 (i). For details of trade and other receivables related to revenue, refer note 8.

During the year the Company flared 1.07 million scm of gas and lost another 12.47 million scm of gas and has also declared the same to the Director General of Hydrocarbons.

### 28 Leases and arrangements containing lease

The Company enters into equipment lease and other arrangements with various contractors for development of its wells, whereby the specific assets leased by the contractors are used only at the Company's well development site and such arrangements convey the right to use the assets.

These arrangements include non-lease elements also and are being treated as well development costs along with other costs. The segregation of the lease and non-lease elements under the arrangements is not possible. The details of total expenses in this regard are as follows:

Nature	For the year ended 31 March	
	2019	2018
Work over expenses	597,761	769,067



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(All amounts in US dollars unless otherwise stated)

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The Company's leasing arrangements are in respect of operating leases for premises and equipment. These leasing arrangement ranges from 12 months to 3 years and are renewable on mutual consent of parties as per mutually agreeable terms. All the lease agreements are cancellable in nature.

Lease rentals accrued during the year for the premises, equipment and site office/store yard amounting to USD 170,405 (previous year USD 177,399) have been charged to the Income Statement.

The Company has taken different pieces of land on lease on which the wells are being developed. The lease period for these pieces of land generally ranges from 25 to 99 years. The Company is required to pay the entire amount of consideration as lease premium upfront upon entering into agreement for acquisition of these pieces of land and no further periodic lease rentals are payable for use of these pieces of land. The leasehold land have been classified as finance (60 years or above) or operating lease (upto 59 years) on the basis of principles given in IAS 17.

### 29 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 has elapsed, the expenditure incurred on the said block has been written off 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.

### 30 Other litigations

- (i) The Company had entered into a Gas Sale and Purchase Agreement ("GSPA") with Matix Fertilisers & Chemicals Limited ("Matix") in July 2017 which was valid till 31 August 2018. The Contract included a Minimum Guarantee Offtake ("MGO") by Matix and required the customer to deposit an interest free security amount of USD 3,393,581 (Rs. 234,734,032) in cash and to issue two Bank Guarantees ("BGs") for a total of USD 6,494,000 (Rs.449,190,000) (each Bank Guarantee of USD 3,247,000 (Rs.224,595,000)) in favour of the Company. Matix paid the security deposit but did not submit the BGs as per the terms of the GSPA. Matix was also obligated under the contract to purchase a minimum of 240,000 scm gas per day during the contract period. However, Matix defaulted in payment of the Invoices as per the GSPA and declared a shutdown of its plant in November, 2017 without adhering to the terms of the GSPA.

As per the GSPA, the Company has raised the claim of USD 21,417,811 (USD 19,804,041 (Rs. 1,369,845,518) towards MGO and USD 1,613,770 (Rs. 111,624,473) towards interest upto August 30, 2018) plus further interest till realisation after adjusting the security deposit of USD 3,393,581 (Rs. 234,734,032). Matix has also filed a claim against the Company for an amount of USD 86,698,482 (Rs. 5,996,934,032) along with interest towards loss of profit due to non- operation of its plant, which in the opinion of the Company is without merit. The dispute has been referred to Arbitration and is pending disposal. The Company basis external legal opinion believes that it has a strong probability of its claim being upheld before the arbitral panel. The Company has recognized revenue only to the extent of money received from Matix as there is significant counter party credit risk with respect to receivables from Matix considering their current

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(All amounts in US dollars unless otherwise stated)

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financial condition.

- (ii) National Highway Authority of India ('NHAI') filed Money Suit before the Court of the Learned Civil Judge (Senior Division) at Durgapur, seeking damages without providing in its plaint any grounds for arriving at such figure. NHAI is claiming damages on behalf of IL&FS Transportation Network Limited (IL&FS) with whom it has entered into an agreement for expansion of NH-2 on the ground that IL&FS may claim damages from NHAI for the delays. NHAI has made IL&FS a proforma defendant in the suit. The Company has filed a petition before the Court of Civil Judge (Sr. Division), Durgapur for rejection of the plaint on the ground that there is no cause of action for filing the present suit as NHAI has not suffered any damages and there is no concrete, identifiable claim against the Company. The Durgapur Court vide its Order dated March 19, 2019 passed an ex-parte order against IL&FS for non-appearance despite repeated summons by the Court expunging its name from the memo of parties. Since IL&FS, on whose behest the NHAI filed the suit, is not a party to the suit and there will not be any claim for damages.

### On behalf of Board of Directors

**Yogendra Kr. Modi**  
Executive Chairman

Place: Gurugram  
Date: 13 May 2019

**S. Sundareshan**  
Director

Place: Gurugram  
Date: 13 May 2019