

Report on review of interim financial information

To the Board of Directors of
Great Eastern Energy Corporation Limited

Introduction

We have reviewed the accompanying interim condensed financial statements of Great Eastern Energy Corporation Limited (the “Company”) which comprise of the interim condensed statement of financial position as at 30 September 2020 and the related interim condensed statements of Profit and loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Pravin Tulsyan

Partner

Membership Number: 108044

UDIN: 20108044AAAALA5116

Place of Signature: Gurugram

Date: 10 November 2020

Great Eastern Energy Corporation Limited
Interim Condensed financial statements
For the six months ended 30 September 2020

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

Interim Condensed statement of financial position

	Notes	As at	
		30 September 2020 (Unaudited)	31 March 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	8	137,903,837	135,874,714
Right-of-use Asset	9	1,416,219	1,429,330
Capital work-in-progress (including wells in progress)	10	8,102,628	8,172,920
Intangible assets	11	100,687	104,934
Prepayments		74,854	109,498
Trade and other receivables		141,894	138,901
Deferred tax asset (net)		1,374,597	1,258,798
Tax assets (net)		128,387	63,487
Total non-current assets		149,243,103	147,152,582
Current assets			
Trade and other receivables		2,301,353	2,038,841
Liquid investments		6,620,153	8,895,059
Prepayments		209,716	84,120
Restricted deposits with banks		932,254	1,446,469
Cash and cash equivalents		232,500	184,741
Total current assets		10,295,976	12,649,230
Total assets		159,539,079	159,801,812
Equity			
Issued capital		13,306,007	13,306,007
Share premium		91,006,858	91,006,858
Other reserves		(35,359,787)	(37,206,595)
Retained earnings		19,701,485	19,640,401
Total equity attributable to owners of the Company		88,654,563	86,746,671
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	13	55,492,976	57,450,773
Employee benefit liabilities		598,691	554,355
Provisions	15	272,674	266,923
Total non-current liabilities		56,364,341	58,272,051
Current liabilities			
Interest bearing loans and borrowings	13	9,941,647	10,286,539
Trade and other payables		3,713,411	3,747,228
Employee benefit liabilities		810,355	695,716
Income tax payable		54,762	53,607
Total current liabilities		14,520,175	14,783,090
Total liabilities		70,884,516	73,055,141
Total equity and liabilities		159,539,079	159,801,812

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

On behalf of Board of Directors

Yogendra Kr. Modi
Executive Chairman

Place: Gurugram
Date: 10 November 2020

Prashant Modi
Managing Director & Chief Executive Officer

Place: Gurugram
Date: 10 November 2020

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

Interim Condensed Statement of Profit and Loss

	Note	For the six months ended	
		30 September	
		2020	2019
		(Unaudited)	(Unaudited)
Revenue			
- Sale of gas		11,672,702	18,868,267
- Other operating revenue		242,872	16,954
Other income		337,173	322,757
		12,252,747	19,207,978
Employee benefit expenses		(2,018,206)	(2,194,466)
Other expenses		(3,853,304)	(5,862,168)
Finance income		83,036	252,782
Finance costs		(3,664,590)	(4,511,045)
Depletion, depreciation and amortisation		(1,975,539)	(2,438,820)
Exchange fluctuation gain / (loss) (net)		(891,114)	97,635
		(12,319,717)	(14,656,082)
Profit/(Loss) before tax		(66,970)	4,551,896
Income tax (expense) / credit			
Current tax	12	-	(713,916)
Deferred tax	12	87,178	1,073,275
Profit for the period		20,208	4,911,255
Profit attributable to:			
Owners of the Company		20,208	4,911,255
Earnings per share (Face value of Rs 10 Each)			
Basic		0.0003	0.0825
Diluted		0.0003	0.0825

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

On behalf of Board of Directors

Yogendra Kr. Modi

Executive Chairman

Place: Gurugram

Date: 10 November 2020

Prashant Modi

Managing Director & Chief Executive Officer

Place: Gurugram

Date: 10 November 2020

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

Interim Condensed statement of other comprehensive income

	For the six months ended	
	30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Profit for the period	20,208	4,911,255
Other comprehensive income/ (loss)		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Foreign currency translation adjustment	1,874,857	(1,903,640)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gain/ (losses) on defined benefit plan	18,097	(57,427)
Tax on Remeasurement gain/ (losses) on defined benefit plan	(5,270)	16,723
Total other comprehensive income/ (loss) for the period	1,887,684	(1,944,344)
Total comprehensive income for the period	1,907,892	2,966,911
Total comprehensive income attributable to:		
Owners of the Company	1,907,892	2,966,911

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

On behalf of Board of Directors

Yogendra Kr. Modi
Executive Chairman

Place: Gurugram
Date: 10 November 2020

Prashant Modi
Managing Director & Chief Executive Officer

Place: Gurugram
Date: 10 November 2020

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

Interim Condensed statement of changes in equity

For the six months ended 30 September 2019 (Unaudited)

Attributable to owners of the Company

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

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

Interim Condensed statement of changes in equity

For the six months ended 30 September 2020 (Unaudited)

Attributable to owners of the Company

	Issued Capital: Share capital	Share premium*	Retained Earnings	Foreign currency translation reserve #	Debenture redemption reserve**	Total equity
Balance as at 1 April 2020	13,306,007	91,006,858	19,640,401	(38,373,666)	1,167,071	86,746,671
<i>Total comprehensive income/(loss) for the period</i>						
Profit for the period	-	-	20,208	-	-	20,208
Other comprehensive income / (loss)	-	-	12,827	1,874,857	-	1,887,684
Total comprehensive income/(loss) for the period	-	-	33,035	1,874,857	-	1,907,892
Transfer to debenture redemption reserve	-	-	28,049	-	(28,049)	-
Balance as at 30 September 2020	13,306,007	91,006,858	19,701,485	(36,498,809)	1,139,022	88,654,563

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

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

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

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

On behalf of Board of Directors

Yogendra Kr. Modi
Executive Chairman

Place: Gurugram
Date: 10 November 2020

Prashant Modi
Managing Director & Chief Executive Officer

Place: Gurugram
Date: 10 November 2020

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

Interim Condensed statement of cash flows

	For the six months ended	
	30 September	
	2020	2019
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit/ (Loss) before tax	(66,970)	4,551,896
Adjustments for:-		
Finance cost	3,647,377	4,487,294
Finance income	(83,036)	(252,782)
Exchange fluctuation (gain) / loss (net)	889,513	(101,693)
(Gain) on liquid investments	(306,070)	(256,282)
(Gain) / Loss on disposal of property, plant and equipment	(6,389)	(12,414)
Depletion, depreciation and amortisation	1,975,539	2,438,820
Changes in:		
Trade and other receivables	(163,345)	3,790
Trade and other payables	(18,072)	423,943
Cash generated from operating activities	5,868,547	11,282,572
Income tax paid, net	(66,233)	(1,001,798)
Net cash from operating activities	5,802,314	10,280,774
B. Cash flow from investing activities		
Purchase of property, plant and equipment/ capital work in progress/ intangible assets	(855,763)	(959,687)
Proceeds from sale of property, plant and equipment	15,172	21,570
Purchase of liquid investments	(16,645,252)	(23,978,348)
Proceeds from sale of liquid investments	19,376,142	23,886,666
Fixed deposits made during the period	(34,610)	(616,059)
Fixed deposits matured during the period	570,761	165,028
Interest received	31,494	35,390
Net cash (used in) investing activities	2,457,944	(1,445,440)
C. Cash flow from financing activities		
Repayment of long term borrowings	(4,716,159)	(4,224,613)
Interest paid	(3,519,157)	(4,347,165)
Net cash (used in) financing activities	(8,235,316)	(8,571,778)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	24,942	263,556
Cash and cash equivalents at 1 April	184,741	19,295
Effect of exchange rate fluctuations on cash and cash equivalents	22,817	(59,941)
Cash and cash equivalents at 30 September 2020	232,500	222,910
Components of Cash and cash equivalents		
Cash on hand	465	1,567
Balances with banks in		
- Current accounts	232,035	221,343
Cash and cash equivalents at 30 September 2020	232,500	222,910

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

On behalf of Board of Directors

Yogendra Kr. Modi
Executive Chairman

Place: Gurugram
Date: 10 November 2020

Prashant Modi
Managing Director & Chief Executive Officer

Place: Gurugram
Date: 10 November 2020

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

Notes to interim condensed financial statements

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 19).

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

These interim condensed financial statements ('Financial Statement') have been prepared as at and for the six month ended 30 September 2020.

The financial statements of the Company as at and for the year ended 31 March 2020 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.

2 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. These interim condensed financial statements do not include all the information required for complete set of International Financial Reporting Standards (IFRSs) financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 March 2020. These interim condensed financial statements have been authorised for issue by the Board of Directors in its meeting held on 10th November, 2020. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at the end and for the year ended 31 March 2020.

3 Summary of significant accounting policies

The accounting policies applied by the Company in these condensed interim financial statements are the same, in all material respects, as those applied by the Company in its last annual financial statements as at and for the year ended 31 March 2020 except for the adoption of new standards and interpretations effective as of 1 April, 2020 as detailed in Note 18.

4 Foreign currency translation

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

The Company has converted Indian Rupees ('INR' or 'Rs.') balances to 'USD' equivalent balances on the following basis: For conversion of all assets and liabilities, other than equity, as at the reporting dates, the exchange rates prevailing as at the reporting date have been used, which are as follows:

- as at 30 September 2020: USD 1 = INR 73.80
- as at 30 September 2019: USD 1 = INR 70.69
- as at 31 March 2020: USD 1 = INR 75.39
- as at 31 March 2019: USD 1 = INR 69.17

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

- For the six months ended 30 September 2020: USD 1 = INR 75.07
- For the six months ended 30 September 2019: USD 1 = INR 69.97

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 March 2020.

6 Financial instruments

Fair value estimation

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

Particulars	As at 30 September 2020		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets carried at fair value through profit and loss				
Liquid Investments	6,620,153	6,620,153	8,895,059	8,895,059
Financial assets carried at amortised cost				
Trade and other receivables	2,375,496	2,375,496	2,111,420	2,111,420
Restricted deposits with banks	932,254	932,254	1,446,469	1,446,469
Cash and cash equivalents	232,500	232,500	184,741	184,741
	10,160,403	10,160,403	12,637,689	12,637,689
Financial liabilities carried at amortized cost				
Borrowings				
14% non-convertible redeemable debentures	9,288,577	9,304,587	9,360,121	9,377,706
Indian currency loan	33,155,287	34,061,334	36,142,211	37,413,813
External commercial borrowing	21,750,563	21,866,793	21,014,738	21,255,975
Director loan	1,219,512	1,219,512	1,193,792	1,193,792
Vehicle loan	20,684	20,777	26,450	26,610
Others				
Trades and other payables	3,713,411	3,713,411	3,325,693	3,325,693
	69,148,034	70,186,414	71,063,005	72,593,589

Fair value hierarchy

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

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

Level 2 - 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

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

The following table reflects the methodology for determination of fair value

	(Fair Value)		
	Level 1	Level 2	Level 3
As at 30 September 2020			
<i>Financial Assets</i>			
Liquid investments	6,620,153	-	-
<i>Financial Liabilities</i>			
Borrowings	-	-	66,473,003
As at 31 March 2020			
<i>Financial Assets</i>			
Liquid investments	8,895,059	-	-
<i>Financial Liabilities</i>			
Borrowings	-	-	69,267,896

Fair value of trade and other receivables, bank deposits, cash and cash equivalents, trade and other payables and director's loan has been taken as their carrying amounts due to their short term maturity. The fair values of non-current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

7 Segment reporting

Chief Operating Decision Maker (CODM) reviews the business as one operating segment being the extraction and sale of CBM/CNG gas. Hence, no separate segment information has been furnished herewith. The entire sale has been made to external customers domiciled in the entity's country. Revenue of approximately USD 7,787,666 (30 September 2019: USD 11,002,725) is derived from 1 (30 September 2019: 1) customer which constitute more than 10% of the total sales. No other customer contribute to more than 10% of the Company's revenue.

8 a) Property, plant and equipment

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

Movements in property, plant and equipment are as follows:

	For the six months ended 30 September	
	2020	2019
Opening balance as at 1 April	135,874,714	152,544,104
Additions	1,051,700	1,120,054
Disposals/adjustments	(174,516)	(167,918)
Depreciation / amortisation for the period	(1,925,979)	(2,431,702)
Depreciation on retirement	(165,732)	(158,762)
Effect of movements in foreign exchange rates	3,243,651	(2,949,077)
Closing balance as at 30 September	137,903,837	147,956,699

Well capitalisation

During the six months period ended 30 September 2020, the Company has not capitalized any wells (30 September 2019: Nil). All costs involved in drilling, cementing, fracturing and drilling of exploratory core holes are initially considered as Capital work-in-progress till the time these are ready for commercial use when they are transferred to producing properties.

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

b) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

	As at 30 September 2020	As at 31 March 2020
- For land	13,318	13,966
- For others	11,294	974,149
	24,612	988,115

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

9 Right of use Asset

Right to use assets includes leasehold land for exploration activities.

	For the six months ended 30 September	
	2020	2019
Opening balance as at 1 April	1,429,330	1,651,212
Additions	-	-
Disposals/adjustments	-	-
Depreciation / amortisation for the period	43,162	46,142
Depreciation on retirement	-	-
Effect of movements in foreign exchange rates	(56,273)	(127,319)
Closing balance as at 30 September	1,416,219	1,570,035

10 Capital work-in-progress (including wells in progress)

	For the six months ended 30 September	
	2020	2019
Opening balance as at 1st April	8,172,920	8,100,768
Movement during the period	(242,207)	106,452
Effect of movement in foreign exchange rates	171,915	(175,270)
Closing balance as at 30 September	8,102,628	8,031,950

11 Intangible assets

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

	For the six months ended 30 September	
	2020	2019
Opening balance as at 1st April	104,934	128,727
Amortisation for the period	(6,600)	(7,117)
Effect of movements in foreign exchange rates	2,353	(2,696)
Closing balance as at 30 September	100,687	118,914

12 Income tax

	For the six months ended 30 September	
	2020	2019
Income tax (expense) / credit		
Current tax	-	(713,916)
MAT credit entitlement		
Deferred tax	87,178	1,073,275
	87,178	359,359

	For the six months ended 30 September	
	2020	2019
Profit/(loss) before tax:	(66,970)	4,551,896
Tax expense at domestic tax rate	19,502	(1,325,512)
Tax effects of:		
- Non-deductible expenses	10,056	(30,629)
- Change in tax rate	-	1,923,869
- Others	77,122	(208,369)
Tax charge	87,178	359,359

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

13 Loans and borrowings

	As at 30 September 2020	As at 31 March 2020
Financial liabilities		
Non-current		
14% non-convertible redeemable debentures	8,839,797	8,920,805
Indian currency loans from banks and financial institutions	26,182,519	28,710,213
External commercial borrowing	20,463,606	19,806,108
Vehicle loan	7,054	13,647
Total non-current	55,492,976	57,450,773
Current		
14% non-convertible redeemable debentures	448,780	439,316
Indian currency loans from banks and financial institutions	6,972,768	7,431,998
Loan from directors	1,219,512	1,193,792
External commercial borrowing	1,286,957	1,208,630
Vehicle loan	13,630	12,803
Total current	9,941,647	10,286,539

14 Retirement benefits

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

15 Provisions

Site restoration costs

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

16 Contingencies

There are no material changes to contingent liabilities from those disclosed in the financial statements as at and for the year ended 31 March 2020.

Great Eastern Energy Corporation Limited

(all amounts in US Dollars unless otherwise stated)

17 Related party disclosures

a) Relationship with the related parties

Related parties where control exists:

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

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

Key managerial personnel (KMP) and their relatives

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

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

b) Related party transactions

The following tables provide the total amount of transactions which have been entered into with related parties during the period ended 30 September 2020 and 30 September 2019.

Related Party	Nature of transaction	For six months period ended 30 September	
		2020	2019
YKM Holdings Private Limited	Lease rentals paid	74,865	76,497
	Reimbursement of expenses	15,506	13,897
Yogendra Kr. Modi	Interest on loan taken	84,152	90,285
Prashant Modi	Interest on loan taken	24,043	25,796
Ms. Prarthana Modi	Consultancy charges	1,665	1,786

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

	For six months period ended 30 September	
	2020	2019
Short term employee benefits	619,942	665,097
Defined contribution plan	49,554	53,166
Commission	39,963	47,457
	709,459	765,720

In addition to above payments, the Company during the six months period ended 30 September 2020, paid USD 7,326 (30 September 2019: USD 7,860) as sitting fees to the non-executive directors for attending various meetings and the same are included in 'other expenses' in the statement of profit and Loss. Remuneration does not include provision made for gratuity and leave encashment as they are determined for the Company as whole.

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

	As at 30 September 2020		As at 31 March 2020	
	Receivable	Payable	Receivable	Payable
YKM Holdings Private Limited*	58,537	-	57,302	-
Mr. Yogendra Kr. Modi	-	1,170,044	-	1,145,009
Mr. Prashant Modi	-	573,328	-	560,901
Ms. Prarthana Modi	-	254	-	249
	58,537	1,743,626	57,302	1,706,159

*Amounts recoverable from YKM Holdings Private Limited consist of USD 29,268 (31 March 2020: USD 28,651) on account of security deposits paid for property taken on lease, recoverable on expiry of lease agreement and USD 29,269 (31 March 2020: USD 28,651) on account of advance rent paid, adjustable against future occupation of property taken on lease.

Amount payable to Mr. Yogendra Kr. Modi and Mr. Prashant Modi includes outstanding borrowings payable by the Company of USD 948,509 (31 March 2020 : USD 928,505) and USD 271,003 (31 March 2020 : USD 265,287) respectively.

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(all amounts in US Dollars unless otherwise stated)

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

Outstanding balances at the period-end are unsecured and settlement occurs in cash. For the period ended 30 September 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (30 September 2019: Nil). This assessment is undertaken on a forward-looking basis at each reporting period end through examining the historical information and financial position of the related party that is adjusted to reflect current conditions of market in which the related party operates as well as information about forecasts of future economic conditions.

18 Application of new and revised standards

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended 31 March 2020, except for the adoption of new standards effective as of 1 April 2020. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed financial statements of the Company.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the financial statements of the Company.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments had no impact on the financial statements of the company as it does not have any interest rate hedge relationships

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the financial statements of the Company.

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(all amounts in US Dollars unless otherwise stated)

New standards and interpretations not yet adopted

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

Standards not yet effective for the financial statements	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	01-Jan-23
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract	01-Jan-22
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	01-Jan-23
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use	01-Jan-22
AIP (2018-2020 cycle): IFRS 1 First-time Adoption of International Financial Reporting Standards Subsidiary as a First-time Adopter	01-Jan-22
AIP (2018-2020 cycle): IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities	01-Jan-22
AIP (2018-2020 cycle): IAS 41 Agriculture – Taxation in Fair Value Measurements	01-Jan-22
Amendments to IFRS 3 – Reference to the Conceptual Framework	01-Jan-22
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2	01-Jan-21
Amendment to IFRS 16 – Covid-19-Related Rent Concessions	01-Jun-20

The Company is evaluating the requirements of the standards, improvements and amendments and has not yet determined the impact on the financial statements.

19 COVID-19

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. With the gradual resumption of overall economic activities, operations of the Company effective second quarter started moving towards normalcy. Considering that the Company is in the business of essential services and has assessed that there is not much of a significant impact likely on its operations of the Company, liquidity position, recoverability of assets, etc due to this pandemic and it continues to maintain sufficient liquidity to meet all its obligations. The Company will continue to monitor the financial position with regard to any material changes to the overall future economic conditions

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

On behalf of Board of Directors

Yogendra Kr. Modi
Executive Chairman

Place: Gurugram
Date: 10th November 2020

Prashant Modi
Managing Director & Chief Executive Officer

Place: Gurugram
Date: 10th November 2020