

Urja Maritime Inc.
Panama City, Republic of Panama

**Financial statements &
Auditor's report: 2016-17**

Urja Maritime Inc.
Panama City, Republic of Panama

Financial statements: 2016-17

Index of contents

Contents	Page nos.
Director's report	1 – 2
Independent auditor's report	3 – 4
Statement of financial position as at 31st March 2017	5
Statement of comprehensive income for the period ended 31st March 2017	6
Statement of changes in equity & shareholder's funds for the period ended 31st March 2017	7
Statement of cash flows for the period ended 31st March 2017	8
Notes to the financial statements	9 – 18
Schedule to the financial statements	19

Urja Maritime Inc.

Ave. Balbao, Bicsa Financial Centre,
30th Floor, Office 3005,
Panama City, Republic of Panama

Director's report

The director of the company has pleasure in submitting this report along with the financial statements of Urja Maritime Inc., Panama City, Republic of Panama for the period 2nd December 2016 (date of registration) to 31st March 2017.

The enclosed financial statement are drawn up for management's internal evaluation purposes and hence are for a period less than general norms of minimum allowable financial reporting period of 6 months.

Legal status and shareholder:

Urja Maritime Inc. is incorporated in Panama City, Republic of Panama under Folio no. 155640904 of the Mercantile Section of Public Registry Office under Public Deed no. 32255 dated 2nd December 2016.

Adani Shipping Pte. Ltd., a private company limited by shares registered in Singapore under ACRA (Accounting & Corporate Regulatory Authority) and having registration no. 200614235E is the sole shareholder of the company holding share capital of USD 10,000/- (100 shares of USD 100/- each). The registered address of M/s Adani Shipping Pte. Ltd is 80, Raffles Place, #33-20 UOB Plaza II, Level 33, Singapore 048624.

The company is a wholly owned subsidiary of Adani Shipping Pte. Ltd., incorporated in Singapore. The ultimate parent company is Adani Enterprise Limited, a company incorporated in India.

Operations of the company:

The company is incorporated to engage in any lawful act or activity which are not prohibited under the jurisdiction of Republic of Panama and that the company has been incorporated as a special purpose vehicle for providing shipping and logistics services primarily to its shareholder and the shareholder's group. The company is principally engaged in the activity of shipping agents, ship owner & ship charterer during the period under review.

The financial highlights of the company are as below:

Amount in U.S. Dollars (USD)

	2016-17
Revenue	1,275,000/-
Gross profit	620,391/-
Net profit	131,217/-
Total liabilities	27,451,421/-
Equity & shareholder's funds	141,217/-

Results & dividend:

Net profit for the period amounted to USD 131,217/-.

Current period net profit is proposed to be carried forward as retained earnings.

Management's responsibilities & acknowledgements:

We confirm that management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs), local laws, rules and regulations of the country of incorporation and applicable provisions of the Charter of Incorporation of the company.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The company's management further states that there are no material uncertainties which would make the going concern assumption inappropriate.

Urja Maritime Inc.

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Events occurring after the reporting date:

There were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the company.

Auditors:

The company's auditors, M/s Kothari Auditors & Accountants, Dubai (U.A.E.) are retiring at the end of the annual general meeting of the shareholder and being eligible have expressed their willingness to be re-appointed. A resolution to re-appoint them for the year 2017-18 and to fix their remuneration would be put up before the shareholder at the annual general meeting.

For Urja Maritime Inc.



Pranav Vora
Director

May 11, 2017
Dubai, United Arab Emirates

Independent auditor's report

To the shareholder of
Urja Maritime Inc.
Panama City, Republic of Panama

Opinion:

We have audited the financial statements of Urja Maritime Inc., Panama City, Republic of Panama ('the company'), which comprise the statement of financial position as at 31st March 2017, and the statement of comprehensive income, statement of changes in equity & shareholder's funds and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31st March 2017, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs).

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 ethical requirements that are relevant to our audit of the financial statements in Panama City, Republic of Panama, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter:

Without qualifying our opinion, we would like to state that:

- The current liabilities exceed current assets by USD 1,435,245/- & its total liabilities (USD 27,451,421/-) are approximately 194 times its equity & shareholder's funds (USD 141,217/-) indicating a high leverage and liquidity crunch. However the management has reviewed its company revenue, cost structures and cash flows and has concluded that liquid funds will be available and further, shareholder has confirmed that necessary financial assistance will be provided as and when required.

Other matter:

- This being the first reporting period, previous period figures is not applicable.
- The enclosed financial statement are drawn up for management's internal evaluation purposes and hence are for a period less than general norms of minimum allowable financial reporting period of 6 months.

Responsibilities of management and those charged with governance for the financial statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs), local laws, rules and regulations of the country of incorporation and applicable provisions of the Charter of Incorporation of the company and 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.

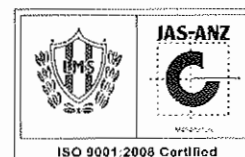
In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or 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.

كوتهاري لتدقيق الحسابات



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Independent auditor's report (continued)

To the shareholder of

Urja Maritime Inc.

Panama City, Republic of Panama

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.

A further description of the auditor's responsibilities for the audit of the financial can be found at Kothari Auditors & Accountants website at <http://www.kothariauditors.com/standards-commercial-company-laws-dubai.html>. This description forms part of our independent auditor's report.

Report on other legal and regulatory requirements:

Further, we report that:

- we have obtained all the information we considered necessary for the purpose of our audit;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Charter of Incorporation of the company;
- the company has maintained proper books of account and the financial statements are in agreement therewith;
- the financial information included in the director's report is consistent with the books of accounts of the company;
- the company has not purchased or invested in any shares during the financial period ended 31st March 2017;
- note no. 4.1 to the financial statements discloses material related party transactions, and the terms under which they were conducted;
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the company has contravened, during the financial period ended 31st March 2017, any of the applicable provisions of the Charter of Incorporation of the company which would materially affect its activities or its financial position as at 31st March 2017.

V.R. Kothari

Kothari Vipul R.

Ministry of Economy Registration No. 159

Kothari Auditors & Accountants

May 11, 2017

Dubai, United Arab Emirates



Urja Maritime Inc.

Panama City, Republic of Panama

Statement of financial position as at 31st March 2017

Particulars	Amount in U.S. Dollars (USD)	
	Note no.	31.03.2017
Assets:		
Current assets		
Deposits, prepayments & advances	5	89,903
Account receivables	6	759,570
Inventories	7	98,431
		<u>947,904</u>
Non-current assets		
Property, plant & equipment	Sch-1	26,644,734
		<u>26,644,734</u>
Total assets employed		<u>27,592,638</u>
Liabilities, equity & shareholder's funds:		
Current liabilities		
Finance lease	8	1,801,728
Provisions, accruals & other liabilities	9	581,421
		<u>2,383,149</u>
Non-current liabilities		
Finance lease	8	25,068,272
		<u>25,068,272</u>
Total liabilities		27,451,421
Equity & shareholder's funds		
Share capital	10	10,000
Reserves & surplus	11	131,217
Equity & shareholder's funds		<u>141,217</u>
Total liabilities, equity & shareholder's funds		<u>27,592,638</u>

The attached note nos. 1 to 19 and schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4. The shareholders have approved and authorised the director for the issuance of these financial statements on May 11, 2017.

For Urja Maritime Inc.

Pranav Vora

Pranav Vora
Director

Urja Maritime Inc.

Panama City, Republic of Panama

Statement of comprehensive income for the period ended 31st March 2017

Amount in U.S. Dollars (USD)

02.12.2016 to

31.03.2017

Particulars	Note no.	
Revenue	12	1,275,000
Direct costs	13	(654,609)
Gross profit		620,391
Marketing costs	14	(51,696)
Administrative costs	15	(72,672)
Finance costs	16	(364,198)
Other expenses	17	(608)
Net profit		131,217

The attached note nos. 1 to 19 and schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4. The shareholders have approved and authorised the director for the issuance of these financial statements on May 11, 2017.

For Urja Maritime Inc.

Pranav Vora

Pranav Vora

Director

Urja Maritime Inc.

Panama City, Republic of Panama

Statement of changes in equity & shareholder's funds for the period ended 31st March 2017

Particulars	Amount in U.S. Dollars (USD)		
	Share capital	Retained earnings	Total
As at 02.12.2016	0	0	0
Net profit	0	131,217	131,217
Net movements	10,000	0	10,000
As at 31.03.2017	10,000	131,217	141,217

The attached note nos. 1 to 19 and schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4.

Urja Maritime Inc.

Panama City, Republic of Panama

Statement of cash flows for the period ended 31st March 2017

Amount in U.S. Dollars (USD)

02.12.2016 to

31.03.2017

Particulars

Cash flow from operating activities:

Net profit 131,217

Adjustments for:

Depreciation on property, plant & equipment 225,266

Finance costs 364,198

Cash generated from operations 720,681

Net changes in operating assets & liabilities:

(Increase) in deposits, prepayments & advances (89,903)

(Increase) in accounts receivables (759,570)

(Increase) in inventories (98,431)

Increase in provisions, accruals & other liabilities 581,421

Net cash generated from operations 354,198

Cash flow from investing activities:

(Addition) to property, plant & equipment (26,870,000)

Net cash (used in) investing (26,870,000)

Cash flow from financing activities:

Increase in finance lease 26,870,000

Increase in share capital 10,000

(Outflow) of finance costs (364,198)

Net cash generated from financing 26,515,802

Surplus/(deficit) for the period 0

Cash & cash equivalents at beginning of period 0

Cash & cash equivalents at end of period 0

The attached note nos. 1 to 19 and schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4.

Urja Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

1 Legal status and activity:

- 1.1 Urja Maritime Inc. is incorporated in Panama City, Republic of Panama under Folio no. 155640904 of the Mercantile Section of Public Registry Office under Public Deed no. 32255 dated 2nd December 2016.
- 1.2 Adani Shipping Pte. Ltd., a private company limited by shares registered in Singapore under ACRA (Accounting & Corporate Regulatory Authority) and having registration no. 200614235E is the sole shareholder of the company holding share capital of USD 1,000/- (50 shares of USD 20/- each). The registered address of M/s Adani Shipping Pte. Ltd is 80, Raffles Place, #33-20 UOB Plaza II, Level 33, Singapore 048624.
- The company is a wholly owned subsidiary of Adani Shipping Pte. Ltd., incorporated in Singapore. The ultimate parent company is Adani Enterprise Limited, a company incorporated in India.
- 1.3 The principal place of business is Ave. Balboa, Bicsa Financial Center, 30th Floor, Office 3005, Panama City, Republic of Panama.
- 1.4 The company is incorporated to engage in any lawful act or activity which are not prohibited under the jurisdiction of Republic of Panama and that the company has been incorporated as a special purpose vehicle for providing shipping and logistics services primarily to its shareholder and the shareholder's group. The company is principally engaged in the activity of shipping agents, ship owner & ship charterer during the period under review.

2 Basis of preparation:

2.1 Statement of compliance:

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB).

2.2 Basis of measurement:

These financial statements have been prepared under going concern assumption and historical cost convention.

2.3 Basis of accounting & coverage:

The company follows the accrual basis of accounting, except for statement of cash flows which is presented on cash basis. Under accrual basis, the transactions and events are recognized as and when they occur and are recorded in the financial statements for the period to which they relate to.

The financial statements enclosed cover the period 2nd December 2016 (date of registration) to 31st March 2017. This being the first reporting period, previous period figures are not applicable.

2.4 Functional & presentation currency:

The financial statements are presented in United States Dollars (USD), which is also the company's functional currency. All financial information presented in USD has been rounded off to the nearest US Dollar.

2.5 Use of estimates & judgments:

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Urja Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

The following accounting estimates and management judgments have been considered, which are material in nature, in preparation of financial statements.

- **Useful lives of property, plant & equipment:**

Company's management estimates the useful life of property, plant & equipment & residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

The useful life of the vessel is as determined by the management of the company. The management has estimated the useful life of the vessel as at reporting date as 25 years.

The company's management has estimated the residual value of USD 2,687,000/- being 10% of the original cost of its vessel at the end of its estimated useful life. Any changes in residual value estimation would have effect in depreciation expense. During the period under review, the company's has not made any revision on the residual value and hence would not effect on current period depreciation.

- **Impairment of accounts receivables:**

Accounts receivables are subjected to recoverability test on a periodical basis when collection of full amount is no longer probable. Accounts receivable balances which are individually significant, are verified for ageing, subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment of accounts receivables is created if same is outstanding for beyond normal credit terms & doubtful.

- **Obsolescence of inventories:**

Inventories are subjected to ageing & obsolescence test on a periodical basis by management on damaged, obsolete and slow moving inventories. These reviews require judgments and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. Management estimates that no reserve for obsolescence of inventories is required to be created against the inventories.

3 Summary of significant accounting policies:

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under:

3.1 Inventories:

Inventories are carried at lower of cost and net realizable value (estimated selling price less cost to complete and selling expenses). Cost includes cost of inventory, including applicable cost to bring the inventory to the present condition, valued at 'first-in-first-out' method

Any excess of carrying amount, over the net realizable value is charged immediately as obsolescence through statement of comprehensive income. Inventory items, are netted off after giving effect of losses arising out of consumption.

Urja Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

3.2 Property, plant & equipment:

Property, plant & equipment (Vessel), is carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on straight line method over the estimated useful lives after reducing the residual value from the cost of acquisition, as determined by the management.

Property, plant & equipment is, at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount. The management's estimate of useful life is as below:

Vessel 25 years

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognised in these financial statements. Management assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments.
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

3.3 Financial instruments:

The company recognizes a financial instrument (being a financial asset or financial liability) only when the company becomes a part of the contractual provisions of the instrument.

Accounting policy relevant to each type of financial instrument is as follows:

- Accounts receivables:

Accounts receivables are amounts due from customers towards providing of services in the ordinary course of business. Accounts receivables are recognised initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less reserve for impairment of accounts receivables. A reserve for impairment of accounts receivables is recognised when there is probable that the company will not be able to collect all amounts due according to original terms of the accounts receivables.

- Other financial assets:

Other financial assets are recognized initially at transaction value and subsequently measured at amortized cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

- Other financial liabilities:

Other financial liabilities, including borrowings, are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is de-recognised either when:

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

Urja Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

Where the company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset.

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

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the company intends to settle on a net basis.

3.4 Impairment of non-financial assets:

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately.

3.5 Impairment of financial assets:

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
- For assets carried at cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

Reversal of impairment losses is recognised in prior periods and is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised.

Urja Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

3.6 Leases:

Leases are classified as finance lease, when substantially all the risk and reward of ownership are transferred to lessee. All other leases are operating lease.

- **Finance lease:**

The vessel taken on finance lease is capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets held under finance lease are included in property, plant & equipment, depreciated and are subject to impairment.

3.7 Employee benefits:

Employee benefits have been provided for in accordance with the contractual terms with the employees, but are however subject to minimum of applicable labour law requirements.

3.8 Provisions & contingencies:

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits would be required to settle these obligations and a reliable estimate of the same can be made.

Contingent liabilities are not recognized but are disclosed in the notes to financial statements. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

3.9 Revenue recognition:

Revenue is recognized when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates and duties.

Revenue represents income from ship charter, demurrage and other related services income. Chartering revenue is recognised evenly over the lives of the time charter agreements and demurrage and other related service income is recognised when the right to receive is established.

3.10 Expenditure:

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

3.11 Foreign currency transactions:

- a. Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.
- b. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the exchange rates prevailing on the date of such transaction or the date of determination of fair value respectively.

Urja Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

- c. Resultant loss or gain has been recognized in the statement of comprehensive income, in the period in which such assets are realized or liabilities are discharged.

4 Other significant disclosures:

4.1 Related party transactions:

The company enters into transactions with another company and person that fall within the definition of a related party as per the International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs).

The terms of trade with such related party is based on commercial terms & conditions agreed upon with them by the management.

Related parties with whom the company has entered into transactions during the period under review comprise of the shareholder, co-subsiidiary company and group companies as stated hereunder:

<u>Name of related parties</u>	<u>Control</u>	<u>Relationship</u>
Adani Shipping Pte. Ltd., Singapore	100% control	Parent company
Aashna Maritime Inc., Panama	Common control	Co-subsiidiary
Aanya Maritime Inc., Panama	Common control	Co-subsiidiary
Rahi Shipping Pte Ltd., Panama	Common control	Co-subsiidiary
Vanshi Shipping Pte. Ltd., Panama	Common control	Co-subsiidiary
Adani Shipping (India) Pvt. Ltd., India	Common control	Group company
Adani Global FZE, Dubai (U.A.E.)	Common control	Group company

During the period under review, following transactions were entered into with related parties:

Nature of transactions

Amount in U.S. Dollars (USD)

2016-17

Revenue:

- Revenue from parent company 1,275,000/-

Direct cost:

- Brokerage & commission expenses charged by parent company 47,812/-
- Direct costs charged by group company Nil/-

Other transactions:

- Vessel management fees charged by group company 21,000/-
- Administrative expenses charged by group company Nil/-
- Marketing expenses charged by group company Nil/-

4.2 Financial, capital risk management & fair value information:

4.2.1 Credit, liquidity & market rate risk:

Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

The company's cash is placed with banks of repute.

The exposures to credit risk on accounts receivables and amount due from related parties are monitored on an ongoing basis by the management and these are considered recoverable by the company's management. However 100% of accounts receivables is outstanding from 1 related party and hence the company has concentration of accounts receivables and consequent risk to that extent.

Urja Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when it falls due. The company's current liabilities exceed its current assets as at the reporting date indicating negative working capital.

However the management has reviewed its company revenue and cost structures and has concluded that liquid funds will be available and further, shareholder has confirmed that necessary financial assistance will be provided as and when required.

The table below summarizes the maturity profile of the company's financial liabilities on contractual undiscounted payments:

As on 31st March 2017	Amount in U.S. Dollars (USD)			
	Less than 6 months	6 months to 1 year	More than 1 year	Total
Finance lease	875,391	926,337	25,068,272	26,870,000
Provisions, accruals & other liabilities	581,421	-	-	581,421
Total	1,456,812	926,337	25,068,272	27,451,421

Market risk:

Market risk is the risk that changes in market prices, such as investment prices, interest rates and currency rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

- **Interest rate risk:**

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities.

Finance lease carries effective rate of interest @ 4.82% p.a.

- **Currency risk:**

Currency risk faced by the company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in United States Dollar (USD) only.

4.2.2 Capital management:

The company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business. The company is not subject to externally imposed capital restrictions except maintaining paid up share capital.

4.2.3 Fair value information:

Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing & knowledgeable parties. In respect of all the company's financial assets viz cash & bank balances, receivables, advances, deposits, accrued income and liabilities viz dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.

Urja Maritime Inc.
Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

Amount in U.S. Dollars (USD)

31.03.2017

5 Deposits, prepayments & advances:

Prepayments	14,265
Other current assets	75,638
	<u>89,903</u>

6 Accounts receivables:

Receivables from parent company	759,570
	<u>759,570</u>

Age-wise analysis of accounts receivables is as follows:

Outstanding for less than 3 months	759,570
	<u>759,570</u>

Geographical analysis of accounts receivables is as follows:

Due from Singapore	759,570
	<u>759,570</u>

The company's exposure to credit risk relating to account receivable is disclosed in note no. 4.2.1.

7 Inventories:

Stores & consumables	98,431
	<u>98,431</u>

Inventory comprising of lubricants & other consumable items, is based on the declaration of vessel's master and the management certifies that the same is net of any loss arising out of obsolescence.

8 Finance lease:

Minimum lease payments

Due in next 1 year	3,075,008
Due after 1 year but before 5 years	12,183,048
Due after 5 years	19,735,285
	<u>34,993,341</u>

Less: Future finance charges	(8,123,341)
Present value of lease obligation	<u>26,870,000</u>

Due within one year	1,801,728
Due after one year	25,068,272
	<u>26,870,000</u>

The company entered into "Barecon 2001" Standard Bareboat Charter in respect of the vessel for a period of ten years starting from December 2016.

Urja Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

Amount in U.S. Dollars (USD)

	31.03.2017
9 Provisions, accruals & other liabilities:	
Accrued expenses	581,421
	<u>581,421</u>
Accrued expenses include 734/- payable to related party.	
10 Share capital:	
Share capital	10,000
	<u>10,000</u>
Share capital comprises of 100 fully paid up equity shares of 100/- each.	
11 Reserves & surplus:	
Retained earnings	131,217
	<u>131,217</u>
	02.12.2016 to 31.03.2017
12 Revenue:	
Charter hire income	1,275,000
	<u>1,275,000</u>
13 Direct costs:	
Crew charges & other benefits	194,355
Repairs & maintenance	22,228
Insurance expenses	41,994
Consumables tool	89,856
Vessel management fees	21,000
Other direct expenses	59,910
Depreciation on property, plant & equipment	225,266
	<u>654,609</u>
14 Marketing costs:	
Brokerage & commission expenses	47,812
Advertisement & business promotion expenses	3,884
	<u>51,696</u>
15 Administrative costs:	
Communication expenses	2,747
Fees & charges	43,113
Travelling & conveyance expenses	12,899
Office & other expenses	13,913
	<u>72,672</u>

Urja Maritime Inc.
Panama City, Republic of Panama

Notes to the financial statements for the period ended 31st March 2017

Amount in U.S. Dollars (USD)
02.12.2016 to
31.03.2017

16 Finance costs:

Bank charges

150

Interest on finance lease

364,048

364,198

17 Other expenses:

Foreign exchange loss - net

608

608

18 Events occurring after the reporting date:

There were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the company.

19 Contingent liabilities:

Except for the ongoing business commitments against which the company expects no losses, there were no liabilities of contingent nature or on capital account, outstanding as at reporting date.

Urja Maritime Inc.

Panama City, Republic of Panama

Schedule to the financial statements for the period ended 31st March 2017

Amount in U.S. Dollars (USD)

Schedule 1 - Property, plant & equipment:

Particulars	Vessel	Total
Cost:		
As at 02.12.2016	0	0
Additions	26,870,000	26,870,000
As at 31.03.2017	26,870,000	26,870,000
Accumulated depreciation:		
As at 02.12.2016	0	0
For the period	225,266	225,266
As at 31.03.2017	225,266	225,266
Net value - 31.03.2017	26,644,734	26,644,734

The company, under finance lease from 'Kowa Comapny Ltd.', operates one 180,000 DWT (92,155 gross tonnage) bulk carrier vessel hull no. PN-163, built by Tsuneishi Heavy Industries (Cebu) Inc., Philippines and registered under 'Urja' (MV) with Republic of Panama having IMO no. 9558218.