SEAMEC INTERNATIONAL FZE

FINANCIAL STATEMENTS

31 MARCH 2015

Building a better
working world

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF SEAMEC INTERNATIONAL FZE

Report on the financial statements

We have audited the accompanying financial statements of Seamec International FZE (the "Establishment"), which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Implementing Regulations issued pursuant to Law No. (25) of 2009 concerning the formation of legal establishments in the Dubai Airport Free Zone, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF SEAMEC INTERNATIONAL FZE (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, proper books of account have been kept by the Establishment in accordance with the provisions of the Implementing Regulations issued pursuant to Law No. (25) of 2009 concerning the formation of legal establishments in the Dubai Airport Free Zone. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Implementing Regulations have occurred during the year ended 31 March 2015 which would have had a material effect on the business of the Establishment or on its financial position.

Ernst + Y.

21 May 2015

Dubai, United Arab Emirates

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	***2015 USD***	*2014 USD*
Rendering of services		**3,677,500**	7,099,250
Direct costs	4	**(3,351,889)**	(5,865,388)
GROSS PROFIT		**325,611**	1,233,862
Other income	5	**10,128,124**	205,477
Selling, general and administrative expenses	6	**(355,548)**	(329,076)
Finance costs	12	**(249,989)**	(538,597)
PROFIT FOR THE YEAR		**9,848,198**	571,666
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**9,848,198**	571,666

The attached notes 1 to 17 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2015

	Notes	*2015 USD*	*2014 USD*
ASSETS			
Non-current asset			
Property and equipment	7	**17,562**	10,633,341
Current assets			
Other receivables and prepayments	8	**140,686**	1,400,770
Due from a related party	14	**40,783**	945,050
Bank balances and cash	9	**11,226,733**	333,084
		11,408,202	2,678,904
TOTAL ASSETS		**11,425,764**	13,312,245
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**544,960**	544,960
Retained earnings		**10,842,054**	993,856
Total equity		**11,387,014**	1,538,816
Non-current liabilities			
Employees' end of service benefits	11	**6,042**	4,115
Loan from Parent Company – non-current portion	12	-	7,832,186
		6,042	7,836,301
Current liabilities			
Accounts payable and accruals	13	**13,799**	940,792
Due to related parties	14	**18,909**	917,593
Loan from Parent Company – current portion	12	-	2,078,743
		32,708	3,937,128
Total liabilities		**38,750**	11,773,429
TOTAL EQUITY AND LIABILITIES		**11,425,764**	13,312,245

The financial statements were approved and authorised for issue on 21 MAY 2015 by:

Seamec International FZE Dubai UAE

(S. S. BISWAS)
Director

RONE ANAND MANAPUZHA
Manager

The attached notes 1 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2015

	Share capital USD	*Retained earnings USD*	*Total USD*
Balance as at 1 April 2013	544,960	422,190	967,150
Total comprehensive income for the year	-	571,666	571,666
Balance as at 31 March 2014	544,960	993,856	1,538,816
Total comprehensive income for the year	-	9,848,198	9,848,198
Balance as at 31 March 2015	**544,960**	**10,842,054**	**11,387,014**

The attached notes 1 to 17 form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 March 2015

	Notes	*2015* *USD*	*2014* *USD*
OPERATING ACTIVITIES			
Profit for the year		**9,848,198**	571,666
Adjustments to reconcile profit to net cash flows:			
Provision for employees' end of service benefits	11	**1,927**	4,115
Depreciation	7	**1,417,424**	2,406,727
Profit on sale of vessel	5	**(9,663,805)**	-
Finance costs		**249,989**	538,597
		1,853,733	3,521,105
Working capital adjustments:			
Other receivables and prepayments		**1,260,084**	(1,281,376)
Due from a related party		**904,267**	1,551,211
Accounts payable and accruals		**(926,993)**	686,474
Due to a related party		**(898,684)**	(247,985)
Net cash flows from operating activities		**2,192,407**	4,229,429
INVESTING ACTIVITIES			
Purchase of property and equipment	7	**(20,678)**	(2,055,153)
Term deposits	9	**(11,000,000)**	-
Proceeds from disposal of property and equipment		**18,882,838**	92,224
Net cash flows from/(used in) investing activities		**7,862,160**	(1,962,929)
FINANCING ACTIVITIES			
Interest paid		**(249,989)**	(562,737)
Repayment of loan to the Parent Company		**(9,910,929)**	(1,958,051)
Net cash flows used in financing activities		**(10,160,918)**	(2,520,788)
DECREASE IN CASH AND CASH EQUIVALENTS		**(106,351)**	(254,288)
Cash and cash equivalents at 1 April		**333,084**	587,372
CASH AND CASH EQUIVALENTS AT 31 MARCH	9	**226,733**	333,084

The attached notes 1 to 17 form part of these financial statements.

1 ACTIVITIES

Seamec International FZE (the "Establishment") is an establishment incorporated in the Dubai Airport Free Zone, Dubai, United Arab Emirates. The registered address of the Establishment is P O Box 293689, Dubai Airport Free Zone, Dubai, United Arab Emirates. The Establishment is a wholly owned subsidiary of Seamec Limited (the "Parent Company"), registered in Mumbai, India. The ultimate parent company is Hal Offshore Limited (the "Ultimate Parent Company"), registered in New Delhi, India. In previous year, the ultimate parent company was Technip S.A, France (the "previous Ultimate Parent Company"), registered in Paris, France.

The principal activities of the Establishment are to provide oilfield services to offshore oilfields through multi support vessels.

2 FUNDAMENTAL ACCOUNTING CONCEPT

During the year 2014-2015, the Establishment sold its vessel and has invested the surplus amount in a bank as term deposit. The Establishment is currently looking for a new vessel to purchase so that it can recommence its business activities. Notwithstanding this fact, the financial statements of the Establishment have been prepared on a going concern basis as at the reporting date, as the Establishment has sufficient current assets to meet its current liabilities as and when they fall due.

3.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable requirements of the provisions of Implementing Regulations Law No. (25) of 2009 issued by Dubai Airport Free Zone Department.

The financial statements have been prepared under the historical cost convention.

The financial statements have been presented in United States Dollars (USD), being the functional currency of the Establishment.

Changes in accounting policies and disclosures
The accounting policies adopted are consistent with those used in the previous year, except as follows:

(a) Standards, amendments and interpretations effective in 2014-2015 which are adopted by the Establishment are as follows:

Annual Improvements 2010-2012 Cycle:
Amendments to IFRS 13 Fair Value Measurement – Immaterial Effect of Discounting of Short-Term Receivables and Payables. These amendments had no material impact on the financial statements.

(b) Standards, amendments and interpretations effective in 2014 but not relevant to the Establishment's operations are as follows:

The following interpretation of published standards are mandatory for accounting periods beginning on or after 1 April 2014 but are not relevant to the Establishment's operations:

IAS 32	Financial Instruments: Presentation (Amendment) — Guidance on the offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014);
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets (effective for annual periods beginning on or after 1 January 2014);
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39 (effective for annual periods beginning 1 January 2014);
IFRS 10, IFRS 12 and IAS 27	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) - These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements (effective for annual periods beginning 1 January 2014);
IFRIC 21	Levies (issued in May 2013) (effective for annual periods beginning 1 January 2014); and

Annual Improvements 2011-2013 Cycle: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards –Application of a Current Standard or a New Standard that is not yet mandatory.

3.1 BASIS OF PREPARATION (continued)

Changes in accounting policies and disclosures (continued)

(c) Standards, amendments and Interpretations in issue but not effective:

At the date of authorisation of these financial statements, other than the Standards and Interpretations adopted by the Establishment (as described above) the following Standards and Interpretations were in issue but not yet effective.

IAS 1	Amendments to IAS 1 to further encourage companies to apply professional judgement in determining what information to disclose and how to structure it in their financial statements (effective for annual periods beginning 1 January 2016);
IAS 16	Amendments to IAS 16 Property, Plant and Equipment (Clarification of Acceptable Methods of Depreciation and Amortisation) (effective prospectively for annual periods beginning 1 January 2016);
IAS 19	Amendments to IAS 19 Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014);
IAS 27	Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016);
IAS 38	Amendments to IAS 38 Intangible Assets (Clarification of Acceptable Methods of Depreciation and Amortisation) (effective prospectively for annual periods beginning 1 January 2016);
IAS 41	Amendments to IAS 41 (Agriculture: Bearer Plants) (effective for annual periods beginning 1 January 2016);
IFRS 9	Financial Instruments: Recognition and Measurement (effective for annual periods beginning 1 January 2018);
IFRS 10, IFRS 12 and IAS 28	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 28) - These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements (effective for annual periods beginning 1 January 2016);
IFRS 11	Accounting for Acquisitions of Interests (effective for annual periods beginning on or after 1 January 2016);
IFRS 14	Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016); and
IFRS 15	Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017);

Annual Improvements 2010-2012 Cycle (1 July 2014), includes:
- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations
- IFRS 8 Operating Segments
- IAS 16 Property, Plant and Equipment
- IAS 38 Intangible Assets
- IAS 24 Related Party Disclosures

Annual Improvements 2011-2013 Cycle (1 July 2014), includes:
- IFRS 3 Business Combinations
- IFRS 13 Fair Value Measurement
- IAS 40 Investment Property

The management anticipates that all of the above Standards and Interpretations will be adopted by the Establishment to the extent applicable to them from their effective dates. The adoption of these Standards, amendments and interpretations is not expected to have any material impact on the financial statements of the Establishment in the period of their initial application.

3.2 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

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

In particular, information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies (that have the most significant effect on the amount recognised in the financial statements) are discussed in note 17.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- Expected to be realised or intended to sold or consumed in 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 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 Establishment classifies all other liabilities as non-current.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Establishment and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Establishment assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Establishment has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services
Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment
Property and equipment is stated at cost, excluding the cost of day to day servicing, less accumulated depreciation and any accumulated impairment in value.

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

Vessel	over 2 - 7 years
Motor vehicles	over 4 years
Furniture and fixtures	over 4 years
Computers and office equipment	over 3-4 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less cost to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

An item of property and equipment 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 statement of comprehensive income in the year the asset is derecognised.

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

Other receivables
Other receivables are initially recognised at fair value and subsequently measured at amortised cost less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consists of cash in hand, bank balances and short term deposits with an original maturity of three months or less.

Employees' end of service benefits
The Establishment provides end of service benefits to its employees. The entitlement to these benefits is usually based upon the employees' length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are initially recognised at fair value and subsequently stated at amortised cost.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions
Provisions are recognised when the Establishment 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. Where the Establishment expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial instruments - initial recognition and subsequent measurement
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.

i. Financial assets

Initial recognition and measurement
Financial assets are classified at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Establishment determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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 recognised on the trade date, i.e., the date that the Establishment commits to purchase or sell the asset.

The Establishment's financial assets include cash and bank balances, receivables and amounts due from related parties.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Establishment has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance costs in the income statement.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

The Establishment evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Establishment is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Establishment may elect to reclassify these financial assets. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Establishment's statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Establishment 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 Establishment has transferred substantially all the risks and rewards of the asset, or (b)The Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Establishment 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 asset is recognised to the extent of the Establishment's continuing involvement in the asset. In that case, the Establishment 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 Establishment has retained.

Impairment of financial assets

The Establishment assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is 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 has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Financial assets (continued)

Impairment of financial assets (continued)

Impairment is determined as follows:

(a) 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;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

ii Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Establishment determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Establishment's financial liabilities include trade and other payables, amounts due to related parties and loan from a related party.

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss
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 acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Establishment that are not designated as hedging instruments in hedge relationships as defined by IAS 39. 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 recognised in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of IAS 39 are satisfied. The Establishment has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition
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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ii Financial liabilities (continued)

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value measurement
The Establishment measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

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 must be accessible to by the Establishment.

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.

For the purpose of fair value disclosures, the Establishment 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.

Impairment of non-financial assets
The Establishment 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 Establishment estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows 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 to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Establishment estimates the asset's or CGUs 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 unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Loans and borrowings
Loans and borrowings are initially recognised at fair value plus directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.

Foreign currencies
The Establishment's financial statements are presented in United States Dollars, which is also the Establishment's functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Establishment at the functional currency spot rates at the date the transaction first qualifies for recognition.

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

All differences arising on settlement or translation of monetary items are taken to the income statement with the exception of monetary items that are designated as part of the hedge of the Establishment's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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

4 DIRECT COSTS

	2015 *USD*	*2014* *USD*
Staff costs	**1,776,919**	3,172,264
Depreciation (note 7)	**1,404,031**	2,394,968
Insurance expenses	**104,706**	154,609
Repairs and maintenance	**6,705**	99,334
Other operating costs	**59,528**	44,213
	3,351,889	5,865,388

5 OTHER INCOME

	2015 *USD*	*2014* *USD*
Profit on sale of vessel*	**9,663,805**	-
Unclaimed payable to a related party written back	-	201,923
Interest income	**61,742**	-
Liability no longer required written back	**65,848**	-
Miscellaneous income	**336,729**	3,554
	10,128,124	205,477

*During the current year, the Establishment sold its vessel to a third party for USD 18,882,838 and realised a gain of USD 9,663,805 over its net carrying amount.

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2015 *USD*	*2014* *USD*
Staff costs	**102,399**	59,921
Rent	**57,064**	67,657
Depreciation (note 7)	**13,393**	11,759
Bank charges	**33,889**	43,113
Foreign exchange loss	**54,458**	92,068
Other miscellaneous expenses	**94,345**	54,558
	355,548	329,076

7 PROPERTY AND EQUIPMENT

	Vessel USD	*Motor vehicles USD*	*Furniture and fixtures USD*	*Computers and office equipment USD*	*Total USD*
Cost:					
At 1 April 2014	15,518,407	13,624	22,922	36,303	15,591,256
Additions	15,000	-	5,379	299	20,678
Disposals	(15,533,407)	-	-	-	(15,533,407)
At 31 March 2015	-	13,624	28,301	36,602	78,527
Depreciation:					
At 1 April 2014	4,917,218	6,927	13,985	19,785	4,957,915
Charge for the year	1,397,156	3,582	6,367	10,319	1,417,424
Relating to disposals	(6,314,374)	-	-	-	(6,314,374)
At 31 March 2015	-	10,509	20,352	30,104	60,965
Net carrying amount:					
31 March 2015	-	**3,115**	**7,949**	**6,498**	**17,562**

	Vessel USD	*Motor vehicles USD*	*Furniture and fixtures USD*	*Computers and office equipment USD*	*Total USD*
Cost:					
At 1 April 2013	13,576,225	13,624	22,922	28,332	13,641,103
Additions	2,047,182	-	-	7,971	2,055,153
Disposals	(105,000)	-	-	-	(105,000)
At 31 March 2014	15,518,407	13,624	22,922	36,303	15,591,256
Depreciation:					
At 1 April 2013	2,542,163	3,523	8,258	10,020	2,563,964
Charge for the year	2,387,831	3,404	5,727	9,765	2,406,727
Relating to disposals	(12,776)	-	-	-	(12,776)
At 31 March 2014	4,917,218	6,927	13,985	19,785	4,957,915
Net carrying amount:					
31 March 2014	10,601,189	6,697	8,937	16,518	10,633,341

The depreciation charge has been allocated in the statement of comprehensive income as follows:

	2015 USD	*2014 USD*
Direct costs	**1,404,031**	2,394,968
Selling, general and administrative expenses	**13,393**	11,759
	1,417,424	2,406,727

8 OTHER RECEIVABLES AND PREPAYMENTS

	2015 *USD*	*2014* *USD*
Prepaid expenses	**55,122**	98,339
Insurance claim receivable	**-**	1,242,849
Advance to suppliers	**-**	38,934
Accrued Interest	**61,742**	-
Other receivables	**23,822**	20,648
	140,686	1,400,770

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows consist of the following:

	2015 *USD*	*2014* *USD*
Cash in hand	**50**	17
Bank balances	**226,683**	333,067
Term deposits (maturity over 3 months)	**11,000,000**	-
Bank balances and cash	**11,226,733**	333,084
Less: Term deposits (maturity over 3 months)	**(11,000,000)**	-
Cash and cash equivalents	**226,733**	333,084

Term deposits of USD 11,000,000 (2014: USD Nil) are held with commercial banks in United Arab Emirates. These are denominated in USD with an effective interest rate of 1.70% (2014: Nil).

10 SHARE CAPITAL

	2015 *USD*	*2014* *USD*
Authorised, issued and fully paid up share capital		
2 shares of AED 1,000,000 each (1 AED = 0.27248 USD)	**544,960**	544,960

11 EMPLOYEES' END OF SERVICE BENEFITS

	2015 *USD*	*2014* *USD*
Provision as at 1 April	**4,115**	-
Provided during the year	**1,927**	4,115
Balance at the end of the year	**6,042**	4,115

12 LOAN FROM PARENT COMPANY

The Establishment obtained an initial loan of USD 12,727,302 during November 2011 from the Parent Company. The loan carried interest @ 5% per annum (2014: 5% per annum) and accordingly interest of USD 249,989 (2014: USD 538,597) was incurred. The loan was fully repaid along with outstanding interest on 14 October 2014.

Allocation between current and non-current portion is as follows:

	2015 *USD*	*2014* *USD*
Non-current portion	-	7, 832,186
Current portion	-	2, 078,743
	-	9,910,929

13 ACCOUNTS PAYABLE AND ACCRUALS

	2015 *USD*	*2014* *USD*
Trade payables	**13,799**	678,043
Other payables and accruals	**-**	262,749
	13,799	940,792

Terms and conditions of the above financial liabilities:

a) Trade payables are non-interest bearing and are normally settled within 60 days of the date of purchase.
b) Other payables and accruals are non-interest bearing and have an average term of three months.

14 RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with related parties included in the statement of comprehensive income are as follows:

	2015			*2014*		
	Rendering of service USD	***Direct costs USD***	***Other income USD***	*Rendering of service USD*	*Direct costs USD*	*Other income USD*
Parent Company	**3,559,350**	**22,131**	-	7,099,250	-	-
Other related parties	-	-	-	-	36,165	1,976
	3,559,350	**22,131**	-	7,099,250	36,165	1,976

Balances with related parties included in the statement of financial position are as follows:

	2015			*2014*		
	Due from a related party USD	***Due to related parties USD***	***Loan USD***	*Due from a related party USD*	*Due to related parties USD*	*Loan USD*
Parent Company	**40,783**	**18,909**	-	945,050	917,593	9,910,929
	40,783	**18,909**	-	945,050	917,593	9,910,929

Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received from any related party receivable and payable. For the year ended 31 March 2015, the Establishment has not recorded any impairment of amounts owed by related parties (2014: USD Nil). The impairment assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related party operates.

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Establishment's principal financial liabilities comprise accounts payable and accruals, loan from parent company and due to related parties. The Establishment has various financial assets such as bank balances and cash, other receivables and due from a related party which arise directly from its operations.

The main risks arising from the Establishment's financial instruments are interest rate risk, liquidity risk, credit risk and currency risk. The Establishment's management reviews and agrees policies for managing each of these risks which are summarised below:

Interest rate risk
The Establishment is not exposed to any significant interest rate risk as the interest rate on the loan from the Parent Company and term deposit is at a fixed rate of interest.

Currency risk
The Establishment is not exposed to any significant currency risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Establishment is exposed to credit risk on its bank balances and receivables as follows:

	2015 USD	*2014 USD*
Bank balances	**11,226,683**	333,067
Due from a related party	**40,783**	945,050
Insurance claim receivables	-	1,242,849
Accrued Interest	**61,742**	-
Other receivables	**23,822**	20,648
	11,353,030	2,541,614

The Establishment seeks to limit its credit risk with respect to bank balances by only dealing with reputable banks. The management of the Establishment is directly involved in the Establishment's operations and reviews and approves all transactions with related parties. The receivable balances are reconciled periodically with the related parties through intercompany reconciliation and confirmations. The Establishment's terms of invoicing require amounts to be paid within 30 days of the date of billing.

Liquidity risk
The Establishment limits its liquidity risk by ensuring that adequate funds from the Parent Company are available at all times.

The Establishment's terms of service with a related party require amounts to be paid as per the contract, which is 30 days from the date of billing. Payables are normally settled within 60 days of the date of transaction.

The table below summarises the maturities of the Establishment's undiscounted financial liabilities at 31 March 2015, based on contractual payment dates and current market interest rates.

At 31 March 2015	*Less than 3 months USD*	*3 to 12 months USD*	*1 to 5 years USD*	*>5 years USD*	*Total USD*
Payables	13,799	-	-	-	13,799
Due to related parties	18,909	-	-	-	18,909
Loan from Parent Company	-	-	-	-	-
	32,708	-	-	-	**32,708**

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

At 31 March 2014	*Less than 3 months USD*	*3 to 12 months USD*	*1 to 5 years USD*	*>5 years USD*	*Total USD*
Payables	940,792	-	-	-	940,792
Due to related parties	917,593	-	-	-	917,593
Loan from Parent Company	1,221,767	1,201,114	8,735,127	-	11,158,008
	3,080,152	1,201,114	8,735,127	-	13,016,393

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

The Establishment manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Establishment may adjust return of capital or receive additional funding. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 31 March 2014. Capital comprises share capital and retained earnings and is measured at USD 11,387,014 as at 31 March 2015 (2014: USD 1,538,816)

16 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, due from a related party and other receivables. Financial liabilities consist of loan from Parent Company, due to related parties and payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially different from their carrying values largely due to the short-term maturities of these instruments.

17 KEY SOURCES OF ESTIMATION UNCERTAINTY

Useful lives of property and equipment
The Establishment's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Fair value of financial instruments
When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

17 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Establishment is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.