



**Oil India International Pte. Ltd.**  
**Registration Number: 201612281W**

Annual Report  
Year ended 31 March 2021

## **Directors' statement**

We are pleased to submit this annual report to the member of Oil India International Pte. Ltd. ("the Company") together with the audited financial statements for the financial year ended 31 March 2021.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS31 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## **Directors**

The directors in office at the date of this statement are as follows:

Biswabrata Lahkar (Appointed on 1 February 2021)  
Loo Boon San  
Sanjay Choudhuri  
Tan Tow Siang

## **Directors' interests**

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

<b>Name of director and corporation in which interests are held</b>	<b>Holdings at beginning of the year</b>	<b>Holdings at end of the year</b>
<b>Sanjay Choudhuri</b>		
Oil India Limited		
- ordinary shares		
- interest held	4,500	4,500

<b>Name of director and corporation in which interests are held</b>	<b>Holdings at beginning of the year</b>	<b>Holdings at end of the year</b>
<b>Biswabrata Lahkar</b> Oil India Limited - ordinary shares - interest held	–	5,010

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **Share options**

During the financial year, there were:

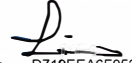
- (i) no options granted by the Company to any person to take up unissued shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

**Auditors**


The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

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**Loo Boon San**  
*Director*

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**Tan Tow Siang**  
*Director*

18 May 2021



**KPMG LLP**  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581

Telephone +65 6213 3388  
Fax +65 6225 0984  
Internet [www.kpmg.com.sg](http://www.kpmg.com.sg)

## **Independent auditors' report**

Member of the Company  
Oil India International Pte. Ltd.

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Oil India International Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS31.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

#### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in joint ventures (Refer to Note 4 of the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As at 31 March 2021, the carrying amount of the Company's interests in joint ventures amounted to \$1,085,940,179 (31 March 2020: \$1,267,772,734), approximating 95% (31 March 2020: 98%) of the Company's total assets.</p> <p>Investments in joint ventures are carried at cost and adjusted for the Company's share of the profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Company. The Company is required to assess whether there is any indicator that the investments in joint ventures may be impaired. When such an indicator exists, the Company determines the recoverable amount of investments in joint ventures and compares this to the Company's carrying amount of investments in joint ventures to assess for impairment in line with the requirements of the relevant accounting standards. The management has assessed that there is no indicator that the investments in joint ventures is impaired based on the profits generated by the joint ventures.</p>	<p>We have assessed the appropriateness of management's accounting in the Company's share of profit and other comprehensive income in joint ventures.</p> <p>We have also reviewed the working papers of component auditors and held discussions with them to ensure that the work performed and evidence obtained by the component auditors were sufficient for our purpose and that we concur with the basis of conclusion reached by the component auditors.</p> <p>We reviewed management's process for identifying the existence of impairment indicators in respect of the investments in joint ventures.</p> <p><i>Findings</i></p> <p>The Company's share of profit and other comprehensive income in joint ventures have been appropriately accounted for in its Statement of profit or loss and other comprehensive income using the equity method.</p> <p>We found management's process for identifying the existence of impairment indicators in respect of the Company's interests in joint ventures to be consistent with the relevant accounting standards. We agree with the conclusion determined by management that there were no impairment indicators identified in respect of the Company's interests in joint ventures.</p>

### *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

### *Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The directors' responsibilities include overseeing the Company's financial reporting process.

### *Auditors' 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 auditors' 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 SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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



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

### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Shelley Chan Hoi Yi.



**KPMG LLP**

*Public Accountants and  
Chartered Accountants*

**Singapore**

18 May 2021

**Statement of financial position**  
**As at 31 March 2021**

	Note	2021 US\$	2020 US\$
<b>Non-current assets</b>			
Investment in joint ventures	4	1,085,940,179	1,267,772,734
Plant and equipment	5	1,831	4,209
Other non-current assets	6	–	6,408
		1,085,942,010	1,267,783,351
<b>Current assets</b>			
Other current assets	7	209,191	173,118
Cash and deposits	8	59,384,574	31,454,862
		59,593,765	31,627,980
<b>Total assets</b>		1,145,535,775	1,299,411,331
<b>Equity</b>			
Share capital	9	533,707,277	533,707,277
Retained earnings		238,599,147	221,671,260
Currency translation reserve	9	(133,764,260)	37,442,608
<b>Total equity</b>		638,542,164	792,821,145
<b>Non-current liabilities</b>			
Borrowings	10	497,896,679	497,549,612
<b>Current liabilities</b>			
Borrowings	10	8,901,099	8,901,099
Trade and other payables	11	101,872	97,836
Tax payable		93,961	41,639
		9,096,932	9,040,574
<b>Total liabilities</b>		506,993,611	506,590,186
<b>Total equity and liabilities</b>		1,145,535,775	1,299,411,331

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

**Statement of profit or loss and other comprehensive income**  
**Year ended 31 March 2021**

	<b>Note</b>	<b>2021</b> <b>US\$</b>	<b>2020</b> <b>US\$</b>
Share of profit of joint ventures		67,166,854	121,022,676
Interest income from banks and related parties		515,751	1,532,579
Other operating expenses	12	(331,779)	(597,003)
Finance costs	13	(20,348,409)	(20,349,862)
<b>Profit before tax</b>		47,002,417	101,608,390
Tax expense	14	(74,530)	(35,844)
<b>Profit for the year</b>		46,927,887	101,572,546
 <b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Share of foreign currency translation reserves of equity-accounted investees		(171,206,868)	112,576,186
<b>Other comprehensive income, net of tax</b>		(171,206,868)	112,576,186
 <b>Total comprehensive income for the year</b>		 (124,278,981)	 214,148,732

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

**Statement of changes in equity**  
**Year ended 31 March 2021**

	<b>Share capital US\$</b>	<b>Retained earnings US\$</b>	<b>Currency translation reserve US\$</b>	<b>Total equity US\$</b>
<b>At 1 April 2019</b>	533,707,277	120,098,714	(75,133,578)	578,672,413
<b>Total comprehensive income for the year</b>				
Profit for the year	–	101,572,546	–	101,572,546
<b>Other comprehensive income</b>				
Share of foreign currency translation reserves of equity-accounted investees	–	–	112,576,186	112,576,186
<b>Total other comprehensive income</b>	–	–	112,576,186	112,576,186
<b>Total comprehensive income</b>	–	101,572,546	112,576,186	214,148,732
<b>At 31 March 2020</b>	533,707,277	221,671,260	37,442,608	792,821,145
<b>At 1 April 2020</b>	533,707,277	221,671,260	37,442,608	792,821,145
<b>Total comprehensive income for the year</b>				
Profit for the year	–	46,927,887	–	46,927,887
<b>Other comprehensive income</b>				
Share of foreign currency translation reserves of equity-accounted investees	–	–	(171,206,868)	(171,206,868)
<b>Total other comprehensive income</b>	–	–	(171,206,868)	(171,206,868)
<b>Total comprehensive income</b>	–	46,927,887	(171,206,868)	(124,278,981)
<b>Transactions with owner, recognised directly in equity</b>				
<b>Contributions by and distribution to owner</b>				
Dividend paid	–	(30,000,000)	–	(30,000,000)
<b>Total distributions to owner of the Company</b>	–	(30,000,000)	–	(30,000,000)
<b>At 31 March 2021</b>	533,707,277	238,599,147	(133,764,260)	638,542,164

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

**Statement of cash flows**  
**Year ended 31 March 2021**

	Note	2021 US\$	2020 US\$
<b>Cash flows from operating activities</b>			
Profit for the year		46,927,887	101,572,546
Adjustments for:			
- Depreciation expense		2,378	2,378
- Share of profit of joint ventures		(67,166,854)	(121,022,676)
- Interest expense		20,000,000	20,000,000
- Amortisation of bond issuance expenses		347,067	348,018
- Interest income from banks and related parties		(515,751)	(1,532,579)
- Tax expense		74,530	35,844
		(330,743)	(596,469)
Changes in working capital:			
- Other current assets		(16,093)	4,280
- Other non-current assets		6,408	(6,042)
- Trade and other payables		4,036	(24,794)
Tax paid		(22,208)	(7,268)
<b>Net cash used in operating activities</b>		(358,600)	(630,293)
<b>Cash flows from investing activities</b>			
Dividends received from joint venture		77,792,541	8,375,000
Repayment of loan from joint ventures		-	29,387,205
Maturity of long-term deposits	8	20,900,000	13,000,000
Placement of long-term deposits	8	(58,798,188)	(20,900,000)
Interest received		495,771	266,531
<b>Net cash from investing activities</b>		40,390,124	30,128,736
<b>Cash flows from financing activities</b>			
Interest paid		(20,000,000)	(20,000,000)
Dividend paid		(30,000,000)	-
<b>Net cash used in financing activities</b>		(50,000,000)	(20,000,000)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(9,968,476)	9,498,443
Cash and cash equivalents at 1 April		10,554,862	1,056,419
<b>Cash and cash equivalents at 31 March</b>	8	586,386	10,554,862

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

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors of the Company on 18 May 2021.

### **1 Incorporation and principal activities**

Oil India International Pte. Ltd. (the “Company”) is incorporated in the Republic of Singapore and has its registered office at 300 Beach Road #18-05, The Concourse, Singapore 199555.

The Company’s principal activity is investment holding. The Company’s immediate and ultimate holding company is Oil India Limited, which is incorporated in India.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I”).

#### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

#### **2.3 Functional and presentation currency**

These financial statements are presented in United States (“US”) dollars, which is the Company’s functional currency.

#### **2.4 Use of judgements and estimates**

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

There are no critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements with the exception of the Company’s evaluation of the existence of impairment indicators associated with its investment in joint ventures.

## **2.5 Changes in accounting policies**

### **New standards and amendments**

The Company has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I)1- 8)

The application of these amendments to standards and interpretations did not have a material effect on the financial statements.

## **3 Significant accounting policies**

### **3.1 Investment in joint ventures (equity-accounted investee)**

Joint ventures are entities over which the Company has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the joint venture is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Company's share of the joint venture's profit or loss in the period in which the investment is acquired.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and other comprehensive income (OCI) of the equity-accounted investee, after adjustments to align the accounting policies with those of the Company, from the date that joint control commences until the date that joint control ceases.

When the Company's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation to fund the investee's operations or has made payments on behalf of the investee.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of comprehensive income.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of comprehensive income.

## **3.2 Foreign currency**

### *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss.

### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to United States Dollars (USD) at exchange rates at the reporting date. The income and expenses of foreign operations are translated to United States Dollars at average exchange rates for the reporting period.

Foreign currency differences arising from the Company's investments in equity-accounted investees are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such that joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

## **3.3 Financial instruments**

### **(i) Recognition and initial measurement**

#### *Non-derivative financial assets and financial liabilities*

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.



A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**(ii) Classification and subsequent measurement**

**Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

***Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

**Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

**Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Non-derivative financial assets: Subsequent measurement and gains and losses**

***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables and borrowings.

**(iii) Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transaction whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

**(vi) Share capital**

*Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**3.4 Impairment**

**(i) Non-derivative financial assets**

The Company recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

### ***Simplified approach***

The Company applies the simplified approach to provide for ECLs on loan receivable from joint ventures and other receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

### ***General approach***

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

### ***Measurement of ECLs***

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### ***Credit-impaired financial assets***

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### ***Presentation of allowance for ECLs in the statement of financial position***

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

### ***Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## **(ii) Joint venture**

An impairment loss in respect of the investment in joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

## **(iii) Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

### **3.5 Plant and equipment**

#### **(i) Recognition and measurement**

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

#### **(ii) Subsequent costs**

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

#### **(iii) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and useful lives unless it is reasonably certain the Company will obtain ownership of by the end of the lease term.

Depreciation is recognised from the date that plant and equipment are installed and ready for use.

The estimated useful lives of the plant and equipment are as follows:

- Furniture: 5 years
- Renovation: 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### **3.6 Tax**

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

### 3.7 Finance income and finance costs

The Company's finance income and finance costs include:

- Interest income
- Interest expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 3.8 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Company's financial statements.

- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Covid-19-Related Rent Concessions* (Amendment to SFRS(I) 16)

## 4 Investments in joint ventures

	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Beginning of the financial year	1,267,772,734	1,042,548,872
Share of profit	67,166,854	121,022,676
Share of other comprehensive income	(171,206,868)	112,576,186
Dividends received	(77,792,541)	(8,375,000)
End of the financial year	1,085,940,179	1,267,772,734



The Company has two (2020: two) joint ventures that are material to the Company. The Company has joint control over these ventures via the joint ventures' constitution, that requires unanimous consent of shareholders to direct the activities that significantly affect the returns of the joint ventures. These joint ventures are structured as separate vehicles and the Company has residual interests in Taas India Pte. Ltd.'s and Vankor India Pte. Ltd.'s net assets. Accordingly, the Company has classified its investments as joint ventures, which are equity-accounted.

The Company has a commitment to support Taas India Pte. Ltd. with providing additional capital and financing of operating expenditures to TYNGD LLC in case it has a liquidity deficit. There is no such commitment provided to Vankor India Pte. Ltd..

Details of the joint ventures are as follows:

Name of joint venture	Principal activity	Country of incorporation/ Principal place of business	Percentage of equity interest	
			2021 %	2020 %
<u>Directly held</u>				
TAAS India Pte. Ltd.* ("Taas India")	Investment Holding	Singapore	33.5	33.5
Vankor India Pte. Ltd.* ("Vankor India")	Investment Holding	Singapore	33.5	33.5

\* KPMG LLP is the auditor of the joint ventures held by the Company.

Name of investee company	Principal activity	Country of incorporation/ Principal place of business	Percentage of effective equity interest	
			2021 %	2020 %
<u>Indirectly held</u>				
Held by Taas India Pte. Ltd.: TYNGD LLC <sup>#</sup>	Oil production and exploration	Russian Federation	10.0	10.0
Held by Vankor India Pte. Ltd.: JSC Vankorneft <sup>#</sup>	Oil production and exploration	Russian Federation	8.0	8.0

<sup>#</sup> LLC Ernst and Young is the auditor of the investee companies held by the joint ventures.

The following summarises the financial information of the Company's joint ventures based on the audited financial statements as at and for the year ended 31 December 2020 prepared in accordance with Singapore Financial Reporting Standards (FRS) and modified for differences for alignment to the Company's accounting policies. No audited financial information of the joint ventures were available for the period from 1 January 2021 to 31 March 2021. Management has assessed changes in this period in respect of amounts of balances and transactions based on management accounts, changes in the business environment and any potential impairment indicators. Management has concluded that no adjustment of share in net result of joint ventures is required.

### Summarised financial information for joint ventures

#### *Summarised balance sheet*

	<b>Taas India Pte. Ltd. 31 December 2020 US\$</b>	<b>Vankor India Pte. Ltd. 31 December 2020 US\$</b>	<b>Total 31 December 2020 US\$</b>
<b>Current assets</b>	401,862,705	669,929,650	1,071,792,355
Includes:			
- Cash and balances with banks	401,649,317	668,464,793	1,070,114,110
- Other current assets	213,388	1,464,857	1,678,245
<b>Non-current assets</b>	970,668,452	1,210,654,295	2,181,322,747
<b>Current liabilities</b>	(5,312,793)	(6,189,836)	(11,502,629)
<b>Non-current liabilities</b>	-	-	-
	<b>Taas India Pte. Ltd. 31 December 2019 US\$</b>	<b>Vankor India Pte. Ltd. 31 December 2019 US\$</b>	<b>Total 31 December 2019 US\$</b>
<b>Current assets</b>	278,581,909	657,281,921	935,863,830
Includes:			
- Cash and balances with banks	277,479,484	653,226,975	930,706,459
- Other current assets	1,102,425	4,054,946	5,157,371
<b>Non-current assets</b>	1,270,574,872	1,626,843,769	2,897,418,641
<b>Current liabilities</b>	(43,700,600)	(5,119,261)	(48,819,861)
<b>Non-current liabilities</b>	-	(66,389)	(66,389)

*Summarised statement of comprehensive income*

	<b>Taas India Pte. Ltd. 31 December 2020 US\$</b>	<b>Vankor India Pte. Ltd. 31 December 2020 US\$</b>	<b>Total 31 December 2020 US\$</b>
Share of profit of joint venture/associate	150,724,485	63,303,947	214,028,432
Interest income from banks and related parties	6,248,011	10,787,918	17,035,929
Other income	10,094	60,007	70,101
Net foreign exchange loss	(3,508,090)	(3,345,589)	(6,853,679)
Expenses	(2,117,755)	(1,711,813)	(3,829,568)
<b>Profit before tax</b>	151,356,745	69,094,470	220,451,215
Tax expense	(8,272,842)	(11,680,303)	(19,953,145)
<b>Profit for the year</b>	143,083,903	57,414,167	200,498,070
Other comprehensive income	(229,105,179)	(281,960,098)	(511,065,277)
<b>Total comprehensive income</b>	(86,021,276)	(224,545,931)	(310,567,207)
	<b>Taas India Pte. Ltd. 31 December 2019 US\$</b>	<b>Vankor India Pte. Ltd. 31 December 2019 US\$</b>	<b>Total 31 December 2019 US\$</b>
Share of profit of joint venture/associate	213,949,438	186,105,916	400,055,354
Interest income from banks and related parties	4,535,062	12,241,932	16,776,994
Other income	–	49,641	49,641
Net foreign exchange loss	(2,396,888)	(7,366,376)	(9,763,264)
Expenses	(6,655,016)	(3,736,261)	(10,391,277)
<b>Profit before tax</b>	209,432,596	187,294,852	396,727,448
Tax expense	(13,859,667)	(21,606,061)	(35,465,728)
<b>Profit for the year</b>	195,572,929	165,688,791	361,261,720
Other comprehensive income	136,672,293	199,376,024	336,048,317
<b>Total comprehensive income</b>	332,245,222	365,064,815	697,310,037

Reconciliation of summarised financial information

	<b>Taas India Pte. Ltd. 31 December 2020 US\$</b>	<b>Vankor India Pte. Ltd. 31 December 2020 US\$</b>	<b>Total 31 December 2020 US\$</b>
<b>Company's interest in net assets at beginning of the year</b>	504,327,821	763,444,913	1,267,772,734
Company's share of:			
- Profit for the year	47,933,108	19,233,746	67,166,854
- Other comprehensive income for the year	(76,750,235)	(94,456,633)	(171,206,868)
- Dividends paid	(17,492,541)	(60,300,000)	(77,792,541)
	(46,309,668)	(135,522,887)	(181,832,555)
<b>Carrying amount of interest in joint ventures at end of the year</b>	<u>458,018,153</u>	<u>627,922,026</u>	<u>1,085,940,179</u>

	<b>Taas India Pte. Ltd. 31 December 2019 US\$</b>	<b>Vankor India Pte. Ltd. 31 December 2019 US\$</b>	<b>Total 31 December 2019 US\$</b>
<b>Company's interest in net assets at beginning of the year</b>	393,025,672	649,523,200	1,042,548,872
Company's share of:			
- Profit after tax for the year	65,516,931	55,505,745	121,022,676
- Other comprehensive income for the year	45,785,218	66,790,968	112,576,186
- Dividends paid	-	(8,375,000)	(8,375,000)
	111,302,149	113,921,713	225,223,862
<b>Carrying amount of interest in joint ventures at end of the year</b>	<u>504,327,821</u>	<u>763,444,913</u>	<u>1,267,772,734</u>

## 5 Plant and equipment

	<b>Furniture US\$</b>	<b>Renovation US\$</b>	<b>Total US\$</b>
<b>Cost</b>			
At 1 April 2019, 31 March 2020 and 31 March 2021	910	6,590	7,500
<b>Accumulated depreciation</b>			
At 1 April 2019	56	857	913
Depreciation	182	2,196	2,378
At 31 March 2020	238	3,053	3,291
Depreciation	182	2,196	2,378
At 31 March 2021	420	5,249	5,669
<b>Carrying amounts</b>			
At 1 April 2019	854	5,733	6,587
At 31 March 2020	672	3,537	4,209
At 31 March 2021	490	1,341	1,831

## 6 Other non-current assets

	<b>2021 US\$</b>	<b>2020 US\$</b>
Deposits	–	6,408

## 7 Other current assets

	<b>2021 US\$</b>	<b>2020 US\$</b>
Deposits	6,408	–
Prepayments	11,753	2,068
Other receivables	191,030	171,050
	<u>209,191</u>	<u>173,118</u>

## 8 Cash and deposits

	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Cash at bank	586,386	304,862
Short-term fixed deposit	–	10,250,000
Restricted fixed deposit	58,798,188	20,900,000
<b>Total cash and deposits in the statement of financial position</b>	<b>59,384,574</b>	<b>31,454,862</b>
Less: Restricted fixed deposit	(58,798,188)	(20,900,000)
<b>Total cash and cash equivalents in the statement of cash flows</b>	<b>586,386</b>	<b>10,554,862</b>

Restricted fixed deposits are made for varying periods of more than three months to twelve months, earn interest at the respective deposit rates ranging from 0.45% to 1.00% (2020: 1.45% to 2.65%) per annum, and subjected to restrictions on withdrawal prior to maturity.

## 9 Share capital

	<b>2021</b>	<b>2020</b>
	<b>Ordinary shares</b>	<b>Ordinary shares</b>
	<b>No. of shares</b>	<b>No. of shares</b>
At 1 April and at 31 March	<u>533,707,277</u>	<u>533,707,277</u>

### *Capital management*

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital base to support its business and maximise shareholders' value.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

### *Currency translation reserve*

The translation reserve comprises all foreign currency differences arising from the Company's share of translation reserves from equity-accounted joint ventures.

## 10 Borrowings

	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>Current</b>		
Interest payable on bonds	8,901,099	8,901,099
<b>Non-current</b>		
Borrowings	497,896,679	497,549,612
Represented by:		
- Bonds issued	500,000,000	500,000,000
- Accrued interest	8,901,099	8,901,099
- Unamortised transaction costs	(2,103,321)	(2,450,388)
	<u>506,797,778</u>	<u>506,450,711</u>

### *Reconciliation of movement of liabilities to cash flows arising from financing activities*

	<b>Borrowings</b>
	<b>US\$</b>
<b>Balance at 1 April 2019</b>	506,102,693
<b>Changes from financing cash flow activities</b>	
Interest paid	(20,000,000)
<b>Total changes from financing cash flow activities</b>	<u>(20,000,000)</u>
<b>Other changes</b>	
<b>Liability-related</b>	
Interest expense	20,000,000
Amortisation of transaction cost	348,018
<b>Total liability-related other changes</b>	20,348,018
<b>Balance at 31 March 2020</b>	<u>506,450,711</u>
<b>Balance at 1 April 2020</b>	506,450,711
<b>Changes from financing cash flow activities</b>	
Interest paid	(20,000,000)
<b>Total changes from financing cash flow activities</b>	<u>(20,000,000)</u>
<b>Other changes</b>	
<b>Liability-related</b>	
Interest expense	20,000,000
Amortisation of transaction cost	347,067
<b>Total liability-related other changes</b>	20,347,067
<b>Balance at 31 March 2021</b>	<u>506,797,778</u>

All borrowings are unsecured.

On 21 April 2017, the Company issued bonds through a private placement on Singapore Exchange with a maturity period of 10 years and a fixed coupon rate of 4%, payable on a half yearly basis.

The bonds are guaranteed by the Company's ultimate holding company, Oil India Limited. No guarantee fees were paid or payable by the Company to Oil India Limited in respect of the guarantee provided by Oil India Limited for the Company's bonds.

## 11 Trade and other payables

	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Amount due to related parties	12,954	15,887
Accrued expense	88,918	81,949
	<u>101,872</u>	<u>97,836</u>

Amount due to related parties pertain to expenses recharged by the Company's immediate holding company and joint venture.

## 12 Other operating expenses

	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Depreciation of plant and equipment	2,378	2,378
Employee compensation (note 17)	240,857	250,534
Business development expenses	–	250,000
General office expense	25,561	37,399
Net foreign exchange loss	21	2,472
Professional fees	62,962	54,220
	<u>331,779</u>	<u>597,003</u>

## 13 Finance costs

	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Amortisation of bond issuance expenses	347,067	348,018
Interest expense on bonds	20,000,000	20,000,000
Bank depository charges	1,000	1,000
Bank charges	342	844
	<u>20,348,409</u>	<u>20,349,862</u>



## 14 Tax expense

	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>Current tax expense</b>		
- Current tax	74,530	35,844
	<u>74,530</u>	<u>35,844</u>
<b>Reconciliation of effective tax rate</b>		
Profit before tax	<u>47,002,417</u>	<u>101,608,390</u>
Income tax using Singapore tax rate at 17% (2020: 17%)	7,990,411	17,273,426
Non-taxable income	–	(210,131)
Non-deductible expenses	3,515,273	3,559,083
Statutory stepped income exemption	(12,789)	(12,679)
Effect of result of equity-accounted investee presented net of tax	<u>(11,418,365)</u>	<u>(20,573,855)</u>
	<u>74,530</u>	<u>35,844</u>

## 15 Related party balances and transactions

During the financial year, there are no significant balances and transactions between the Company and its related parties.

### Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and monitoring the activities of the Company. The directors of the Company are considered as key management personnel.

Key management personnel compensation as follows:

	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
Director's fee	–	13,738
Wages and salaries	102,552	117,035
Employer's contribution to defined contribution plans	7,665	15,153
Other employee benefits	130,640	118,243
	<u>240,857</u>	<u>264,169</u>

## 16 Commitments

On 15 February 2019, The Company entered into a cost-sharing agreement with its joint ventures to share the use of an office space.

The future payables under the cost-sharing agreement at the balance sheet date are as follows:

	<b>2021</b> <b>US\$</b>	<b>2020</b> <b>US\$</b>
Not later than one year	17,542	18,749
Between one and five years	–	17,187
	<u>17,542</u>	<u>35,936</u>

The Company has assessed that the cost-sharing agreement does not constitute a lease. The cost-sharing agreement does not contain an identified asset as the shared or allocated office space was not physically distinct and did not represent substantially all of the capacity of the leased office space. Consequently, no right-of-use assets and lease liabilities have been recognised on the balance sheet as at 31 March 2021 and 31 March 2020.

## 17 Employee compensation

	<b>2021</b> <b>US\$</b>	<b>2020</b> <b>US\$</b>
Wages and salaries	102,552	117,035
Allowances and other expenses	138,305	133,499
	<u>240,857</u>	<u>250,534</u>

## 18 Financial risk management

The Company has exposure to the following risks from financial instruments:

- market risk;
- credit risk; and
- liquidity risk.

### **Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Review of proposed investments and compliance with target asset allocations is monitored by the Board of Directors on a regular basis.

## **Market risk**

Market risk is the risk that changes in market prices – such as interest rates, foreign exchange rates, other price changes – will affect the Company's income or the fair value of its holdings of financial instruments.

The Company's strategy for the management of market risk is driven by the Company's investment objective of making investments in income generating assets in target markets. Market risks are monitored regularly by the Board of Directors in accordance with the policies and procedures in place.

## **Interest rate risk**

The Company has issued fixed interest rate bonds which are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

The Company periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels.

## **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not significantly exposed to the effects of changes in foreign exchange rates.

## **Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from cash and bank deposits.

At the reporting date, there was no significant concentration of credit risk. Cash and bank deposits are placed with banks and financial institutions which are regulated.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company's major classes of financial assets are cash and bank deposits and other assets.

The Company's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with parties that meet the credit standards laid down in the Company's risk management policies. Further, the credit risk is monitored regularly by the Board of Directors in accordance with the policies and procedures in place.

## *Risk management*

The Company adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Company adopts the policy of dealing with financial institutions with high credit ratings rated by independent rating agencies.

### *Credit rating*

The Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the general approach. These categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

<b>Category of internal credit rating</b>	<b>Definition of category</b>	<b>Basis for recognition of expected credit losses</b>
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Under-performing	Customers negotiating for new credit terms, default in repayment and other relevant indicators that showed customers' deteriorating financial condition	Lifetime expected credit losses
Non-performing	Interest and/or principal payment are 90 days past due	Lifetime expected credit losses
Write-off	Customers with no reasonable expectation of recovery	Asset is written off

### *Impairment of financial assets*

The Company has applied the simplified approach which requires expected lifetime credit losses to be recognised from initial recognition of the other receivables. In calculating the expected credit loss rates, the Company considers historical loss rates and adjusts for forward-looking macroeconomic data.

As at 31 March 2021 and 31 March 2020, the Company has insignificant credit risk exposure in relation to other receivables under SFRS(I) 9.

### *Cash and deposits*

Impairment on cash and deposits has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and deposits have low credit risk based on the external credit ratings of the counterparties.

The amount of the allowance on cash and deposits is determined to be negligible.

Other than the above, there are no credit loss allowance for other financial asset at amortised cost as at 31 March 2021 and 31 March 2020.

### *Financial assets that are neither past due nor impaired*

Cash and deposits are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Financial assets that are neither past due nor impaired are substantially corporations with a good collection track records with the Company.

## Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its commitments associated with financial liabilities. Liquidity risk may emanate from inability to sell a financial asset quickly at an amount close to its fair value.

The Company monitors the liquidity risk and maintains adequate financing for the Company's operations and to mitigate the effects of fluctuations in cash flows.

## Contractual maturity for financial liabilities

The table below analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows:

	Carrying value US\$	Contractual cash flows				
		Total US\$	Up to 1 year US\$	Between 1 and 3 years US\$	Between 3 and 5 years US\$	More than 5 years US\$
<b>At 31 March 2021</b>						
Borrowings	506,797,778	(620,000,000)	(20,000,000)	(40,000,000)	(40,000,000)	(520,000,000)
Other financial liabilities	101,872	(101,872)	(101,872)	–	–	–
<b>At 31 March 2020</b>						
Borrowings	506,450,711	(640,000,000)	(20,000,000)	(40,000,000)	(40,000,000)	(540,000,000)
Other financial liabilities	97,836	(97,836)	(97,836)	–	–	–

## 19 Fair values of financial instruments

### *Accounting classifications and fair values*

	Note	Carrying amount			Fair value US\$
		Amortised cost US\$	Other financial liabilities US\$	Total US\$	
<b>31 March 2021</b>					
Cash and deposits	8	59,384,574	–	59,384,574	
Other current assets*	7	197,438	–	197,438	
		<u>59,582,012</u>	<u>–</u>	<u>59,582,012</u>	
Borrowings	10	–	(506,797,778)	(506,797,778)	(527,945,000)
Trade and other payables	11	–	(101,872)	(101,872)	
		<u>–</u>	<u>(506,899,650)</u>	<u>(506,899,650)</u>	

\* Excludes prepayments

		<b>Carrying amount</b>			
	<b>Note</b>	<b>Amortised cost US\$</b>	<b>Other financial liabilities US\$</b>	<b>Total US\$</b>	<b>Fair value US\$</b>
<b>31 March 2020</b>					
Cash and deposits	9	31,454,862	–	31,454,862	
Other current assets*	7	171,050	–	171,050	
Other non-current assets	6	6,408	–	6,408	
		<u>31,632,320</u>	<u>–</u>	<u>31,632,320</u>	
Borrowings	10	–	(506,450,711)	(506,450,711)	(446,800,000)
Trade and other payables	11	–	(97,836)	(97,836)	
		<u>–</u>	<u>(506,548,547)</u>	<u>(506,548,547)</u>	

\* *Excludes prepayments*

#### *Measurement of fair values*

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values of non-financial assets and liabilities are disclosed in the relevant notes specific to those non-financial assets or liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Financial instruments not measured at fair value

The following table shows the valuation technique and the significant unobservable inputs used in the determination of fair value of the Level 3 financial instruments not measured at fair value:

<b>Type</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Borrowings	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using an adjusted discount rate.	<ul style="list-style-type: none"> <li>• Adjusted discount rate 3.3% (2020: 6.4%)</li> </ul>	<ul style="list-style-type: none"> <li>• The estimated fair value would increase if the adjusted discount rate was lower.</li> </ul>

### Financial instruments for which fair value is equal to the carrying amount

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including other current assets, other non-current assets and cash and deposits) are assumed to approximate their fair values because of the short period to maturity.

## 20 COVID-19

The COVID-19 pandemic has affected all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore and Russia, both of which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 March 2021:

- i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- ii. The Company has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets, in particular its investment in joint ventures as at 31 March 2021, and has assessed these to be appropriate.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2022.

## **21 Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Oil India International Pte. Ltd. on 18 May 2021.