Directors' Statement and Non-Statutory Audited Consolidated Financial Statements

IOCL Singapore Pte. Ltd. and its Subsidiary

(Co. Reg. No. 201613003E)

For the financial year ended 31 March 2023

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Consolidated Statement of Financial Position as at 31 March 2023

	Note	2023 US$	2022 US$
Non-current assets			
Property, plant and equipment	5	207,995,907	208,431,656
Intangible assets	6	77,308,751	92,425,552
Right-of-use assets	7	270,094	461,520
Investments in joint ventures	8	926,069,762	1,078,856,101
Other investments	9	23,379,957	54,122,000
Other receivables	10	22,592	23,797
		1,235,047,063	1,434,320,626
Current assets			
Inventories	11	48,814,760	49,091,030
Trade receivables	12	19,501,285	26,414,527
Other receivables	10	30,137,570	8,306,328
Fixed deposits	13	24,000,000	–
Cash and cash equivalents	14	42,661,567	40,807,964
Assets held for sale	15	1,725	–
		165,116,907	124,619,849
Total assets		1,400,163,970	1,558,940,475
Current liabilities			
Trade and other payables	16	43,906,670	33,504,058
Lease liabilities	17	142,548	191,553
Tax payable	18	250,734	154,990
		44,299,952	33,850,601
Non-current liabilities			
Lease liabilities	17	132,690	270,133
Provisions	19	44,124,169	54,370,520
Deferred taxation	20	116,424,054	105,833,265
		160,680,913	160,473,918
Total liabilities		204,980,865	194,324,519
Net current assets		120,816,955	90,769,248
Net assets		1,195,183,105	1,364,615,956
Equity attributable to owner of the Company			
Share capital	21	1,329,991,988	1,329,991,988
Accumulated (losses)/profits		(26,103,648)	139,412,480
Reserves of a disposal group held for sale	15	1,725	–
Foreign currency translation reserve	22	(104,509,340)	(138,908,495)
Fair value reserve	23	(4,197,620)	34,119,983
Total equity		1,195,183,105	1,364,615,956

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2023

	Note	2023 US$	2022 US$
Revenue	24	274,276,589	322,828,811
Cost of sales	25	(213,765,373)	(262,005,211)
Gross profit		60,511,216	60,823,600
Other income	26	7,587,799	8,694
Finance income	27	1,981,980	108,616
Administrative expenses	28	(563,881)	(716,244)
Finance costs	29	(2,039,324)	(5,381,866)
Share of results of joint ventures	8	(2,686,494)	54,322,910
Profit before tax		64,791,296	109,165,710
Income tax expense	30	(42,302,710)	(44,459,282)
Profit from continuing operation		22,488,586	64,706,428
Discontinued operation			
Loss after tax for the year from discontinued operation	15	(2,989)	–
Profit for the year		22,485,597	64,706,428
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		34,399,155	(5,144,236)
Item that will not be reclassified subsequently to profit or loss			
Net (loss) /gain on fair value of equity investment at fair value through other comprehensive income		(38,317,603)	32,084,000
Total other comprehensive (loss)/income of the year		(3,918,448)	26,939,764
Total comprehensive income for the year		18,567,149	91,646,192

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Consolidated Statement of Changes in Equity for the financial year ended 31 March 2023

	Share capital US$	**Accumulated profits/(losses)** US$	**Reserves of a disposal group held for sale** US$	**Foreign currency translation reserve** US$	**Fair value reserve** US$	**Total equity** US$
Balance at 1 April 2021	1,079,991,988	176,706,052	–	(133,764,259)	2,035,983	1,124,969,764
Issuance of ordinary shares	250,000,000	–	–	–	–	250,000,000
Profit for the year	–	64,706,428	–	–	–	64,706,428
Other comprehensive income						
- Share of foreign currency translation loss from joint ventures	–	–	–	(5,144,236)	–	(5,144,236)
- Net gain on fair value of equity investment at fair value through other comprehensive income	–	–	–	–	32,084,000	32,084,000
Total comprehensive income/(loss) for the year	–	64,706,428	–	(5,144,236)	32,084,000	91,646,192
Dividends declared (Note 31)	–	(102,000,000)	–	–	–	(102,000,000)
Balance at 31 March 2022	1,329,991,988	139,412,480	–	(138,908,495)	34,119,983	1,364,615,956
Profit for the year	–	22,485,597	–	–	–	22,485,597
Other comprehensive income						
- Share of foreign currency translation gain from joint ventures	–	–	–	34,399,155	–	34,399,155
- Net loss on fair value of equity investment at fair value through other comprehensive income	–	–	–	–	(38,317,603)	(38,317,603)
Total comprehensive income/(loss) for the year	–	22,485,597	–	34,399,155	(38,317,603)	18,567,149
Discontinued operations (Note 15)	–	(1,725)	1,725	–	–	–
Dividends declared (Note 31)	–	(188,000,000)	–	–	–	(188,000,000)
Balance at 31 March 2023	1,329,991,988	(26,103,648)	1,725	(104,509,340)	(4,197,620)	1,195,183,105

IOCL Singapore Pte. Ltd. and its Subsidiary
(Co. Reg. No. 201613003E)

Consolidated Statement of Cash Flows for the financial year ended 31 March 2023

	2023 US$	2022 US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for continuing operations	64,791,296	109,165,710
Adjustments for:		
Amortisation of bank borrowing transaction costs	–	940,065
Amortisation of intangible assets	15,116,801	24,641,136
Amortisation of right-of-use assets	191,426	210,023
Depreciation of property, plant and equipment	35,473,076	46,126,578
Dividend income from other investments	(7,575,560)	–
Guarantee fee to related party	–	382,778
Interest expense on bank borrowings	–	1,201,245
Interest expense on lease liabilities	5,492	2,454
Interest income from fixed deposits	(1,981,558)	(106,259)
Interest income from security deposits	(422)	(445)
Interest income from others	–	(1,912)
Share of results of joint ventures	2,686,494	(54,322,910)
Unrealised foreign exchange loss/(gain), net	7,521	(990)
Unwinding of discount on provisions	2,033,832	2,855,324
Operating profit before working capital changes	110,748,398	131,092,797
Decrease in inventories	276,270	2,492,908
Decrease in trade and other receivables	(14,747,420)	6,421,257
Decrease in trade and other payables *	10,393,976	4,937,151
Cash generated from operations	106,671,224	144,944,113
Foreign tax paid	(31,461,238)	(36,044,065)
Income tax paid	(154,939)	(199,620)
Net cash flows from operating activities	75,055,047	108,700,428
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(47,317,510)	(51,756,075)
Increase in investments in joint ventures	(23,000,000)	(5,100,000)
Cash outflows from discontinued operation (Note15)	(1,725)	–
Investment in fixed deposits	(24,000,000)	–
Dividends received from joint ventures	207,499,000	76,379,995
Interest received	1,812,606	108,171
Net cash flows from investing activities	114,992,371	19,632,091
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	–	250,000,000
Dividends paid	(188,000,000)	(102,000,000)
Increase in amount due to holding company	–	(385,524)
Repayment of bank borrowings	–	(260,019,170)
Interest paid	(5,492)	(1,200,952)
Principal repayment of lease liabilities	(188,323)	(210,140)
Net cash flows used in financing activities	(188,193,815)	(113,815,787)
Net increase in cash and cash equivalents	1,853,603	14,516,732
Cash and cash equivalents at beginning of year	40,807,964	26,291,232
Cash and cash equivalents at end of year	42,661,567	40,807,964

*Included decrease in trade and other payables for discontinued operation of US$93,742 (Note 15).

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. FUNDAMENTAL ACCOUNTING CONCEPT

The Group holds significant investment in the joint ventures with interests in the Russian Federation as disclosed in Note 8 of the financial statements. Following the commencement of special military operations in Ukraine by the Russian Federation in February 2022, additional severe sanctions were imposed by the United States of America, the European Union and numerous other countries on the Russian government, major financial institutions and certain other entities and individuals in Russia. In addition, restrictions were introduced on the supply of various goods and services to Russian entities. These events have led to depreciation of the Russian rouble, increased volatility of financial markets and significantly increased the level of economic uncertainty in the Russian business environment. This is considered a significant event to the Group and the oil and gas industry as this may have an impact on the price of oil as supply may be limited globally.

On 21 January 2023, the European Union decided to prolong economic sanctions imposed on the Russian Federation by another six months, until 31 July 2023.

Management has consulted its legal advisor and assessed that the sanctions imposed on Russia had no adverse effect on the Group's investments in the Russia Federation in the immediate term. The management has also engaged an external valuer and determined that no impairment is required for these investments as the valuation report indicated that the recoverable amounts exceeded the carrying amounts of these investments as at 31 December 2022 as disclosed in Note 8 to the financial statements.

As at the date of these financial statements, the operations of the joint ventures in Russia, JSC Vankorneft and TYNGD LLC were not immediately affected by the sanctions and continued uninterrupted as its key customers are based in China which did not imposed any sanctions on the Russian government.

Accordingly, management is of the view that the going concern basis is appropriate in the preparation of the financial statements as Company is profitable and has sufficient funds to meet its obligations as and when they fall due.

2. CORPORATE INFORMATION

The Company is a private limited by shares, incorporated and domiciled in Singapore. The Company's holding company is Indian Oil Corporation Limited, a company incorporated and listed in India.

The Company registered office and principal place of business is located at 8 Cross Street #24-03/04 Manulife Tower Singapore 048424.

The principal activities of the Company are investments holding, trading of crude oil and to hold a 17% interest in the Mukhaizna Production Sharing Agreement ("PSA"), which is a field, in the Sultanate of Oman operated by Occidental Mukhaizna LLC ("the Operator").

2. CORPORATE INFORMATION (continued)

On 5 April 2018, the Company entered into an agreement with Shell Overseas Holding Ltd (Seller) to acquire a 17% participating interest in the Mukhaizna Oil Field, Oman by acquiring 100% of the share capital in Shell Exploration and Production Oman Limited (SEPOL) and subsequently, the name of SEPOL was changed to IOCL Exploration and Production Oman Limited (IEPOL). The acquisition was financed through the issuance of shares to the Company.

The principal activities of the joint ventures are set out in Note 8 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The non-statutory consolidated financial statements of the Group for the financial year ended 31 March 2023 have been prepared in accordance with the accounting policies of the Indian Oil Corporation Limited for purposes of providing information to enable it to prepare the financial statements of the Indian Oil Corporation Limited.

The individual financial statements of each entity within the Group are measured and presented in the currency of primary economic environment in which the entity operates (its functional currency). The non-statutory consolidated financial statements of the Group are presented in United State dollar (US$) which is the functional currency of the Company and the presentation currency for the non-statutory consolidated financial statements and all values presented to the nearest dollar.

(b) *Basis of consolidation and business combinations*

The non-statutory consolidated financial statements comprise the financial statements of the Group and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Group. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Basis of consolidation and business combinations (continued)*

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

(c) *Joint ventures*

Joint ventures are entities over which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group'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 Group'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. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the non-statutory consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investee, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group'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 Group 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Joint ventures (continued)*

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Statement of profit or loss and other 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 profit or loss and other comprehensive income.

(d) *Joint operation*

The Group's exploration, development and production activities are generally conducted in joint arrangement with other companies. The contract between the parties of joint arrangement require all the parties to take all of the output at a price covering the costs of the arrangement and provides rights to the underlying assets and obligations for the liabilities of the arrangement. This determined classification as a joint operation.

The Group recognises its assets, liabilities and expenses relating to its interests in joint operations, including its share of assets held jointly and liabilities and expenses incurred jointly with other parties according to the applicable standards and accounting policies as per these non-statutory financial statements. Since, all of the output is taken by the parties and there is a joint operation, the Group only recognises revenue as and when it sells its share of output to third parties.

(e) *Functional and foreign currency*

The management has determined the currency of the primary economic environment in which the Group operates i.e. functional currency, to be USD.

Foreign currency transactions

Transactions in foreign currencies are measured in USD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Functional and foreign currency (continued)*

Foreign operations

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

Foreign currency differences are recognised in OCI and presented in the foreign currency translated 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 Group 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.

(f) *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of development cost of facilities and development cost of wells are based on the unit of production method over developed reserves of the field.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Property, plant and equipment ((continued)*

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

General property	–	5 years
Office equipment and furniture	–	3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Decommissioning and restoration costs

At the end of the producing life of a field, costs are incurred in removing and decommissioning facilities, plugging and abandoning wells. The total estimated cost of decommissioning and restoration, discounted to its net present value, is provided for and also recognised as a cost of each oil well and facility and capitalised within cost of property, plant and equipment.

The capitalised cost is amortised on a unit-of-production basis based on proved reserve for offshore facilities and oil wells. The unwinding of the discount on the provision is included in finance costs.

Any revision in the estimated cost of decommissioning which alters the provision is adjusted in the cost of the associated asset. If a decrease in the provision exceeds the asset's carrying amount, the excess is recognised in the statement of profit and loss and comprehensive income. Changes in estimates of assets are depreciated prospectively over the remaining reserves of the field.

(g) *Intangible asset*

Mineral right

Mineral right is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is amortised based on unit of production method over proved developed reserves of the field.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) *Exploration, appraisal and development costs*

Exploration and appraisal costs are accounted for under the successful efforts method.

Exploration costs are recognised in cost of sale under cost of sales in statement of profit and loss and comprehensive income when incurred, except that exploratory drilling costs are included in property plant and equipment pending determination of proved reserves. Exploration costs capitalised in respect of exploration wells that are more than 12 months old are expensed unless (a) (i) they are in an area requiring major capital expenditure before production can begin and (ii) they have found commercially producible quantities of reserves and (iii) they are subject to further exploratory or appraisal activity in that either drilling of additional exploratory wells is under way or firmly planned for the near future, or (b) proved reserves are booked within 12 months following the completion of exploratory drilling.

The compensation payable to the non-Mukhaizna partners in respect of the blending of the Mukhaizna oil in the Main Oil Line in Oman is charged to exploration and production expenses.

(i) *Underliftment and overliftment of crude oil*

The PSA binds the participating parties for the entitlement in the produced oil (usually in proportion to each party's equity interest). Under this, parties take their shares of output in a given period which are different from their entitlement. This results in underliftment/overliftment.

The under/overliftment quantity is valued at Official Selling Price (OSP) published by Ministry of Oil & Gas (MOG), Oman less quality adjustment price. The adjustment towards these under/over liftment is recognised against cost of sales in the statement of comprehensive income.

Underliftments are recorded in other receivables valued at market value, and overliftments are recorded in trade and other payables and accrued at the market value.

(j) *Financial instruments*

(i) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Financial instruments (continued)*

(i) *Financial assets (continued)*

Initial recognition and measurement (continued)

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

- *Amortised cost*

  Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

- *Fair value through other comprehensive income (FVOCI)*

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

- *Fair value through profit or loss*

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Financial instruments (continued)*

(i) *Financial assets (continued)*

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amounts and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Financial instruments (continued)*

(iii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) *Impairment of financial assets (continued)*

Credit-impaired financial assets (continued)

(i) significant financial difficulty of the issuer or the borrower;
(ii) a breach of contract, such as a default or past due event;
(iii) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(v) the disappearance of an active market for that financial asset because of financial difficulties.

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 Group 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 procedures for recovery of amounts due.

(l) *Impairment of non-financial assets*

The Group assesses at the end of each reporting period whether there is an indication that a non-financial asset, other than investment property accounted for at fair value and inventories may be impaired. If any such an indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generation unit to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

(m) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Store and spares – weighted average basis

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) *Inventories (continued)*

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurred.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(n) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank and short-term deposits with a maturity of three months or less, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insiginificant risk of change in value.

(o) *Trade and other payables*

Trade and other payables are non-interest bearing and trade payable are normally settled on 30 to 60 days' terms while other payables have an average term of six months.

(p) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) *Employee benefits*

(i) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In particular, the Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(r) *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

- *Right-of-use assets*

  The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

  Office and employee accommodation - 2 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) *Leases (continued)*

(i) *As lessee (continued)*

- *Right-of-use assets (continued)*

  If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

- *Lease liabilities*

  At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

  Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

  The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- *Short term and low value leases*

  The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) *Leases (continued)*

(ii) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(s) *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. The Group's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

(i) *Crude oil and related products*

Revenue from sale of crude oil and refine products is recognised at a point in time when the performance obligations are satisfied when the control of the products (i.e. risk of obsolescence and loss of shipment) are transferred to the customers. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism, depending on the contractually agreed term. There is limited judgement needed to identify when the point of control passes to customers. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay within a credit term of 30 to 60 days.

The profit oil sold and paid to the Government of Oman as a part of Profit Sharing Agreement has been excluded from revenue and the income tax on lifted share has been assumed and paid to the Government of Oman as part of profit oil. Same is considered as a tax expense with the corresponding receipt being included in revenue.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) *Revenue (continued)*

(ii) *Sale of services*

Revenue from sale of services pertains to income from services provided by Group in relation to assistance to carry out operations of one of its joint venture, Urja Bharat Pte Limited to facilitate its activities in Singapore. Revenue from sale of services is recognised at a point in time when the services are rendered.

(iii) *Interest income*

Interest income is recognised using the effective-interest method.

(iv) *Dividend income*

Dividend income is recognised when the Group right to receive payment is established.

(t) *Taxes*

(i) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in the profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) *Taxes (continued)*

(i) *Deferred tax (continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(iii) *Foreign tax – production sharing agreement*

Income taxes at the rate of 55% are to be paid by the Government of Sultanate of Oman on behalf of the Company from the Government's share of production in accordance with the requirements of the Article XII of the production sharing agreement, as amended. The income tax assumed and paid to the Government of Oman is considered as a tax expense with the corresponding receipt being treated as income and included in revenue for the respective year.

(u) *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group if that person:
  - (i) Has control or joint control over the Group;
  - (ii) Has significant influence over the Group; or
  - (iii) Is a member of the key management personnel of the Group or of a parent of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) *Related parties (continued)*

(b) An entity is related to the Group if any of the following conditions applies:
   (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   (iii) Both entities are joint ventures of the same third party;
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
   (vi) The entity is controlled or jointly controlled by a person identified in (a);
   (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Group.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and the disclosure of contingent liabilities as at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Impairment of investments in joint ventures

At the end of each financial year, an assessment is made on whether there is indication that the investments in joint ventures are impaired. The management's assessment on existence of impairment indicators associated with its investments in joint ventures and the carrying amounts of the investments in joint ventures as at 31 March 2023 are disclosed in Note 8 to the financial statements.

Impairment of non-financial assets

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 of disposal and its value in use. For the purposes of determining fair value, the key assumptions management uses in estimating discounted risk-adjusted future cash flows are future oil and gas prices, expected production volumes, refining margins and weighted average cost of capital appropriate to the local circumstances and environment. These assumptions and the judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Impairment of non-financial assets (continued)

Future price assumptions tend to be stable because management does not consider short-term increases or decreases in prices as being indicative of long-term levels, but they are nonetheless subject to change. Expected production volumes which comprise proved reserves and unproven volumes, are used for impairment testing because management believes this to be the most appropriate indicator of expected future cash flows. Reserves estimates are inherently imprecise. Furthermore, projections about unproved volumes are based on information that is necessarily less robust than that available for mature reservoirs. Due to the nature and geographical spread of the business activity in which those assets are used, it is typically not practicable to estimate the likelihood or extent of impairments under different sets of assumptions. The discount rate applied is reviewed annually.

Changes in assumptions could affect the carrying amounts of assets, and impairment charges and reversals will affect income. The carrying amounts of property, plant and equipment and intangible assets as at 31 March 2023 are disclosed in Notes 5 and 6 to the financial statements, respectively.

Decommissioning and restoration provisions

Estimates of the amounts of decommissioning provisions recognised are based on current legal and constructive requirements, technology and price levels. Actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes. The discount rate applied is reviewed annually. Impact of change in estimate and discount rate are disclosed in Note 19 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Construction in progress* US$	Development cost – facilities US$	Development cost – wells** US$	General property US$	Office equipment and furniture US$	Total US$
Cost						
As at 1 April 2021	10,009,001	76,228,302	173,010,894	2,301,981	36,927	261,587,105
Additions	17,468,332	–	33,749,451	704,593	–	51,922,376
Transfers	(10,034,174)	10,034,174	–	–	–	–
As at 31 March 2022	17,443,159	86,262,476	206,760,345	3,006,574	36,927	313,509,481
Additions	20,513,741	–	25,692,645	1,258,411	–	47,464,797
Transfers	(24,166,031)	24,166,031	–	–	–	–
Change in estimate of provision for decommissioning	–	(2,578,235)	(9,849,235)	–	–	(12,427,470)
As at 31 March 2023	13,790,869	107,850,272	222,603,755	4,264,985	36,927	348,546,808
Accumulated depreciation						
As at 1 April 2021	–	12,789,855	44,936,037	1,200,957	24,398	58,951,247
Charge for the year	–	14,709,924	30,884,548	528,095	4,011	46,126,578
As at 31 March 2022	–	27,499,779	75,820,585	1,729,052	28,409	105,077,825
Charge for the year	–	12,285,927	22,603,953	579,656	3,540	35,473,076
As at 31 March 2023	–	39,785,706	98,424,538	2,308,708	31,949	140,550,901
Net carrying amount						
As at 31 March 2022	17,443,159	58,762,697	130,939,760	1,277,522	8,518	208,431,656
As at 31 March 2023	13,790,869	68,064,566	124,179,217	1,956,277	4,978	207,995,907

*Construction in progress includes capital expenditure incurred in relation to development of wells and facilities.
** Included in the additions is an amount of US$ 147,287 (2022: US$ 47,059) relating to the capitalisation of asset retirement obligation (ARO).

6. INTANGIBLE ASSETS

	Mineral rights US$
Cost	
At 1 April 2021, 31 March 2022 and 31 March 2023	232,104,097
Accumulated amortisation and impairment	
At 1 April 2021	115,037,409
Charge for the year	24,641,136
At 31 March 2022	139,678,545
Charge for the year	15,116,801
At 31 March 2023	154,795,346
Carrying amounts	
At 31 March 2022	92,425,552
At 31 March 2023	77,308,751

7. RIGHT-OF-USE ASSETS

	Office and employee accommodation US$
Cost	
At 1 April 2021	523,416
Additions	420,263
At 31 March 2022	943,679
Additions	–
At 31 March 2023	943,679
Accumulated depreciation	
At 1 April 2021	272,136
Charge for the year	210,023
At 31 March 2022	482,159
Charge for the year	191,426
At 31 March 2023	673,585
Net carrying amount	
At 31 March 2022	461,520
At 31 March 2023	270,094

The Group has lease contracts for office premises and employee accommodation facilities. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. The lease term of the assets is two years (2022: two years) with an option to renew the lease for a further period of one year.

7. RIGHT-OF-USE ASSETS (continued)

The carrying amounts of lease liabilities and maturity analysis of lease liabilities is presented in Note 17.

	2023 US$	2022 US$
(i) Amounts recognised in statement of profit or loss		
Depreciation of right-of-use assets	191,426	210,023
Interest expense on lease liabilities	5,492	2,454
Expenses related o short-term leases	12,234	–
	209,152	223,211

(ii) The Company had total cash outflow for all the leases of US$188,323 (2022: US$210,140) in 2023.

8. INVESTMENT IN JOINT VENTURES

	2023 US$	2022 US$
Balance at beginning of the year	1,078,856,101	1,100,957,422
Share of results	(2,686,494)	54,322,910
Share of other comprehensive income	34,399,155	(5,144,236)
Acquisition of a joint venture	–	100,000
Additional investments	23,000,000	5,000,000
Dividends received	(207,499,000)	(76,379,995)
At end of the year	926,069,762	1,078,856,101

The Group has four (2022: four) joint ventures. These joint ventures are structured as separate vehicles and the Group has rights to the net assets in Taas India Pte. Ltd., Vankor India Pte. Ltd., Urja Bharat Pte. Ltd. and Bharat Energy Office LLC. The Group has classified its interests in the investment as joint ventures, which are equity-accounted for.

For the joint venture, Urja Bharat Pte. Ltd., which is involved in exploration of crude oil in Abu Dhabi, commenced exploration in 2019. In accordance with the Exploration Concession Agreement, the joint venture has a minimum work commitment of US$163.4 million consisting of seismic data acquisitions, drilling of five exploration welts and four appraisal wells. As of 31 December 2022, drilling and testing of two appraisal wells has been completed and procurement of material and services for drilling of the five exploratory wells are ongoing. The balance of minimum work commitment as of 31 December 2022 amounted to US$62.3 million (31 December 2021: US$95.6 million) of which US$31.2 million (31 December 2021: US$47.8 million) is a commitment from the Group.

8. INVESTMENT IN JOINT VENTURES (continued)

Details of the joint ventures as at 31 March are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2023 %	2022 %
Directly held				
Taas India Pte. Ltd.* ("Taas India")	Singapore	Investment holding	33.5	33.5
Vankor India Pte. Ltd.* ("Vankor India")	Singapore	Investment holding	33.5	33.5
Urja Bharat Pte. Limited* ("Urja Bharat")	Singapore	Extraction of oil and gas	50	50
Bharat Energy Office LLC# ("Bharat Energy")	Russian Federation	Extraction of oil and gas	20	20

* Audited by HLB Atrede LLP
# Audit by law is not required in the respective countries of incorporation

Details of the investee companies as at 31 March are as follows:

Name of investee company	Country of incorporation	Principal activities	Proportion of ownership interest 2023 %	2022 %
Held through Taas India Pte. Ltd.				
TYNGD LLC #	Russian Federation	Oil production and exploration	10	10
Held through Vankor India Pte. Ltd.				
JSC Vankorneft #	Russian Federation	Oil production and exploration	8	8

* Audited by other firm

The following summarises the financial information of the Group's joint ventures based on the financial statements for year ended 31 December 2022 prepared in accordance with SFRS(I). No audited financial information of the joint ventures was available for the period from 1 January 2023 to 31 March 2023. Management has assessed the 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 and concluded that no adjustment of share in net result of joint ventures is required.

8. INVESTMENT IN JOINT VENTURES (continued)

Management has performed an impairment assessment of the joint ventures which includes assessing the impact of the sanctions as disclosed in Note 1 to the financial statements. Management concluded that no impairment of investment in joint ventures is required as the joint ventures are profitable and were not immediately affected by the sanctions and continued uninterrupted as its key customers are based in China which did not impose any sanctions on the Russian government.

Summarised financial information of joint ventures

Summarised statement of financial position

	Taas India Pte. Ltd.	Vankor India Pte. Ltd.	Urja Bharat Pte. Limited	Bharat Energy Office LLC	Total
	US$	US$	US$	US$	US$
31 December 2022					
Current assets	660,386,856	528,760,647	16,046,139	435,448	1,205,629,090
Non-current assets	616,121,701	1,086,232,994	65,615,603	380,991	1,768,351,289
Total assets	1,276,508,557	1,614,993,641	81,661,742	816,439	2,973,980,379
Current liabilities	(1,448,136)	(1,192,646)	(24,196,314)	(160,886)	(26,997,982)
Non-current liabilities	(64,263)	(41,878)	–	(329,710)	(435,851)
Total liabilities	(1,512,399)	(1,234,524)	(24,196,314)	(490,596)	(27,433,833)
Net assets	1,274,996,158	1,613,759,117	57,465,428	325,843	2,946,546,546
Proportion of the Company's ownership	33.5%	33.5%	50%	20%	
Company's share of net assets	427,123,714	540,609,305	28,732,714	65,168	996,530,901
Dividend paid*	(53,600,000)	(16,750,000)	–	–	(70,350,000)
Others	(111,139)	–	–	–	(111,139)
Carrying amount of the investments	373,412,575	523,859,305	28,732,714	65,168	926,069,762
31 December 2021					
Current assets	575,349,959	699,018,810	12,009,948	500,000	1,286,378,717
Non-current assets	787,839,933	1,105,818,274	41,322,045	–	1,934,980,252
Total assets	1,363,189,892	1,804,837,084	53,331,993	500,000	3,221,858,969
Current liabilities	1,503,898	1,109,201	16,378,401	–	18,991,500
Non-current liabilities	–	69,272	–	–	69,272
Total liabilities	1,503,898	1,178,473	16,378,401	–	19,060,772
Net assets	1,361,685,994	1,803,658,611	36,953,592	500,000	3,202,798,197

8. INVESTMENT IN JOINT VENTURES (continued)

Summarised financial information of joint ventures (continued)

Summarised statement of financial position (continued)

	Taas India Pte. Ltd. US$	Vankor India Pte. Ltd. US$	Urja Bharat Pte. Limited US$	Bharat Energy Office LLC US$	Total US$
31 December 2021					
Proportion of the Company's ownership	33.5%	33.5%	50%	20%	
Company's share of net assets	456,164,809	604,225,635	18,476,796	100,000	1,078,967,240
Others	(111,139)	–	–	–	(111,139)
Carrying amount of the investments	456,053,670	604,225,635	18,476,796	100,000	1,078,856,101

Summarised statement of comprehensive income

	Taas India Pte. Ltd. US$	Vankor India Pte. Ltd. US$	Urja Bharat Pte. Limited US$	Bharat Energy Office LLC US$	Total US$
31 December 2022					
Share of profit in joint ventures, associate	72,620,743	49,656,681	–	610,193	122,887,617
Other income	7,767,102	8,580,131	–	–	16,347,233
Expenses	(52,888,899)	(33,108,788)	(25,488,164)	(983,381)	(112,469,232)
Profit/(loss) before tax	27,498,946	25,128,024	(25,488,164)	(373,188)	26,765,618
Tax expense	(16,268,030)	(6,156,607)	–	72,220	(22,352,417)
Profit/(loss) for the year	11,230,916	18,971,417	(25,488,164)	(300,968)	4,413,201
Other comprehensive income	62,079,247	40,529,089	–	126,811	102,735,147
Total comprehensive income	73,310,163	59,500,506	(25,488,164)	(174,157)	107,148,348

8. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of joint ventures (continued)

Summarised statement of comprehensive income (continued)

	Taas India Pte. Ltd.	Vankor India Pte. Ltd.	Urja Bharat Pte. Limited	Bharat Energy Office LLC	Total
	US$	US$	US$	US$	US$
31 December 2021					
Share of profit in joint ventures, associate	116,907,784	73,256,114	–	–	190,163,898
Other income	2,091,399	6,402,478	2,241	–	8,493,877
Expenses	(6,852,707)	(2,079,492)	(3,305,418)	–	(12,235,376)
Profit/(loss) before tax	112,146,476	77,579,100	(3,303,177)	–	186,422,399
Tax expense	(13,671,346)	(8,966,171)	–	–	(22,637,517)
Profit/(loss) for the year	98,475,130	68,612,929	(3,303,177)	–	163,784,882
Other comprehensive income	(6,007,500)	(9,348,427)	–	–	(15,355,927)
Total comprehensive income	92,467,630	59,264,502	(3,303,177)	–	148,428,955

Reconciliation of summarised financial information

	Taas India Pte. Ltd.	Vankor India Pte. Ltd.	Urja Bharat Pte. Limited	Bharat Energy Office LLC	Total
Net asset attributable to equity holders					
31 December 2022					
At beginning of year	1,361,685,995	1,803,658,612	36,953,592	500,000	3,202,798,199
Capital injection	–	–	46,000,000	–	46,000,000
Profit/(loss) for the year	11,230,916	18,971,417	(25,488,164)	(300,968)	4,413,201
Other comprehensive income	62,079,247	40,529,089	–	126,811	102,735,147
Dividends paid	(160,000,000)	(249,400,000)	–	–	(409,400,000)
At end of year	1,274,996,158	1,613,759,118	57,465,428	325,843	2,946,546,547

8. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of joint ventures (continued)

Reconciliation of summarised financial information (continued)

	Taas India Pte. Ltd. US$	Vankor India Pte. Ltd. US$	Urja Bharat Pte. Limited US$	Bharat Energy Office LLC US$	Total US$
Carrying amount of investment in joint proportion of the Company's ownership	33.5%	33.5%	33.5%	20%	
Carrying value	427,123,714	540,609,305	28,732,714	65,168	996,530,901
Dividend paid*	(53,600,000)	(16,750,000)	–	–	(70,350,000)
Others	(111,139)	–	–	–	(111,139)
Net carrying value	373,412,575	523,859,305	28,732,714	65,168	926,069,762
31 December 2021					
Net assets attributable to equity holders					
At beginning of year	1,367,218,364	1,874,394,109	14,256,769	–	3,255,869,242
Profit/(loss) for the year	98,475,130	68,612,929	(3,303,177)	–	163,784,882
Capital injection	–	–	26,000,000	500,000	26,500,000
Other comprehensive income	(6,007,500)	(9,348,427)	–	–	(15,355,927)
Dividends paid	(98,000,000)	(130,000,000)	–	–	(228,000,000)
At end of year	1,361,685,994	1,803,658,611	36,953,592	500,000	3,202,798,197
Carrying amount of investment in joint proportion of the Company's ownership	33.5%	33.5%	50%	20%	
Carrying value	456,164,809	604,225,635	18,476,796	100,000	1,078,967,240
Others	(111,139)	–	–	–	(111,139)
Net carrying value	456,053,670	604,225,635	18,476,796	100,000	1,078,856,101

*During the period from 1 January 2023 to 31 March 2023, the Company has received dividend of US$ 53,600,000 and USD 16,750,000 from TIPL and VIPL respectively (1 January 2022 to 31 March 2022: TIPL – US$Nil, VIPL – US$Nil). Therefore, the carrying value of the investment in joint ventures (JV) does not reconcile with the share of joint ventures' equity due to different year ends.

8. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of joint ventures (continued)

Name of joint venture	Nature of relationship with Company	Effective interest held by the Company	2023 Total capital expenditure incurred by the joint venture US$	2023 Company's proportionate share of capital expenditure incurred by the joint venture US$	2022 Total capital expenditure incurred by the joint venture US$	2022 Company's proportionate share of capital expenditure incurred by the joint venture US$
Taas India Pte. Ltd	Joint venture	33.5%	–	–	–	–
TYNGD LLC	Step-down joint venture	10%	251,027,128	25,144,132	351,561,641	35,214,172
Vankor India Pte. Ltd.	Joint venture	33.5%	–	–	–	–
JSC Vankoneft	Associate of joint venture	8%	285,259,190	22,839,277	175,728,792	14,069,724
Urja Bharat Pte. Limited	Joint venture	50%	34,338,710	17,169,355	15,605,013	7,802,506
Bharat Energy Office LLC	Joint venture	20%	–	–	–	–

9. OTHER INVESTMENTS

	2023 US$	2022 US$
Quoted equity investment at FVOCI		
At the beginning of the year	–	–
Transfer from unquoted equity investment	54,122,000	
Dividend received in the form of shares	7,575,560	–
Net loss from fair value adjustment	(38,317,603)	–
At the end of the year	23,379,957	–
Unquoted equity investment at FVOCI		
At the beginning of the year	54,122,000	22,038,000
Transfer to quoted equity investment	(54,122,000)	–
Net gain from fair value adjustment	–	32,084,000
At the end of the year	–	54,122,000

The investments represent the Group's stake of 1,204,250 series D preference shares in LanzaTech NZ. Inc. The Group has designated this unlisted equity instrument to be measured at fair value through other comprehensive income ("FVOCI"). The Group intends to hold these investments for long-term for appreciation in value as well as strategic investments purposes.

On 8 February 2023, LanzaTech Nz, Inc. completed the business combination with AMCI Acquisition Corp. and is listed on Nasdaq as Lanzatech Global, Inc. As at 31 March 2022, the Group holds 6,025,762 shares in LanzaTech Global, Inc after the business combination.

10. OTHER RECEIVABLES

	2023 US$	2022 US$
Non-current		
Prepayments	–	1,947
Security deposits	22,592	21,850
	22,592	23,797
Current		
Advances to operators	10,977,383	5,033,508
Amount due from holding company	23,728	–
Amounts due from third parties	976,416	3,237,072
Interest receivables from bank deposits	172,091	3,139
Prepayments	19,905	21,930
Security deposits	12,343	10,679
Underliftment	17,955,704	–
	30,137,570	8,306,328

The amount due from holding company is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

11. INVENTORIES

	2023 US$	2022 US$
Store and spares	48,814,760	49,091,030

12. TRADE RECEIVABLES

	2023 US$	2022 US$
Third parties	19,485,925	26,399,647
Amount due from a joint venture	15,360	14,880
	19,501,285	26,414,527

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition. They are current and not past due as at 31 March 2023 and 2022.

The amount due from a joint venture is unsecured, interest-free, repayable upon demand and is to be settled in cash.

13. FIXED DEPOSITS

Fixed deposits are placed for a period of up to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective deposit rates. The weighted-average effective rate per annum for the fixed deposits ranged from 5.2% to 5.4% (2022: Nil%) per annum.

14. CASH AND CASH EQUIVALENTS

	2023 US$	2022 US$
Cash at banks	19,661,567	40,807,964
Short-term deposits	23,000,000	–
	42,661,567	40,807,964

Short-term deposits are placed for a period of up to three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates ranged from 4.94% to 5.07% per annum.

Cash and cash equivalents denominated in foreign currency as at 31 March is as follows:

	2023 US$	2022 US$
Singapore Dollar	217,255	152,669

15. ASSETS HELD FOR SALE

IOCL Exploration and Production Oman Limited (the "Subsidiary") has transferred its interest in Mukhaizna oil field, Oman (PI) to its holding company, IOCL Singapore Pte. Ltd. (ISPL) with effect from 1 January 2022 pursuant to a Business Transfer Agreement (BTA) dated 31 January 2022.

15. ASSETS HELD FOR SALE (continued)

Accordingly, the net assets of the subsidiary which were transferred were considered as held for sale as at 31 December 2021 as management was of the opinion that it has initiated a plan to sell the disposal group as it has written a letter to the authority for its approval for sale and it is committed to sell the disposal group within one year and subsequently also obtained the approval from the respective authorities. It is on account of consideration receivable from ISPL in relation to PI transfer amounted to USD 227 million.

With business of the subsidiary being classified as discontinued operations, the results of the business are classified as discontinued operations in the profit and loss and accounts as presented below:

	2023 US$
Revenue	–
Cost of sales	–
Gross profit	–
Finance income	7,718
Administrative expenses	(10,706)
Loss before tax from discontinued operations	(2,989)
Income tax expense	
Loss for the year from discontinuing operation	(2,989)

Assets and liabilities of disposal group held for sale

The fair value of disposal group is higher than the cost of disposal group. Hence, there are no impairment losses and disposal group is shown at cost in the financial statements as follows:

Assets	
Cash and cash equivalents	1,725
Assets held for sale	1,725
Net assets directly associated with discontinued operations	1,725
Reserves of discontinued operations classified as held for sale	1,725

Cash flow related to discontinued operations

OPERATING ACTIVITIES	
Loss before tax for discontinuing operations	(2,989)
Adjustments for:	
Interest income from fixed deposits	(7,718)
Operating loss before working capital changes	(10,706)
Decrease in trade and other payables	(90,753)
Cash used in operations	(101,460)

15. ASSETS HELD FOR SALE (continued)

Cash flow related to discontinued operations (continued)

	2023 US$
CASH FLOWS FROM INVESTING ACTIVITIES	
Transfer from continued operation	95,467
Interest received	7,718
Net cash flows from investing activities	103,185
Net increase in cash and cash equivalents	1,725
Cash and cash equivalents at beginning of year	–
Cash and cash equivalents at end of year	1,725

Statement of changes in equity for discontinued operation

	Reserves of a disposal group held for sales
Balance at 1 April 2022	–
Transfer from continued operations	4,714
Loss for the year	(2,989)
Balance at 31 March 2023	1,725

16. TRADE AND OTHER PAYABLES

	2023 US$	**2022** US$
Trade payables		
Third parties	21,442,962	9,146,428
Accrued expenses	20,631,579	22,826,586
Amount due to holding company	–	25,055
	42,074,541	31,998,069
Other payables		
Overliftment	–	1,174,907
Sundry payables	1,832,129	331,082
	1,832,129	1,505,989
	43,906,670	33,504,058

17. LEASE LIABILITIES

Current	142,548	191,553
Non-current	132,690	270,133
	275,238	461,686

17. LEASE LIABILITIES (continued)

	2023 US$	2022 US$
Balance at beginning of year	461,686	252,555
Additions	–	420,263
Accretion of interest	5,492	2,454
Lease payments		
- Principle portion	(188,323)	(210,140)
- Interest portion	(5,492)	(2,454)
Foreign exchange difference	1,875	(992)
Balance at end of year	275,238	461,686
Maturity analysis		
Year 1	145,720	197,130
Year 2	133,577	143,020
Year 3	–	131,097
	279,297	471,247
Less: Unearned interest	(4,059)	(9,561)
	275,238	461,686

The Group does not face a significant liquidity risk with regard to its lease liabilities.

18. TAX PAYABLE

	2023 US$	2022 US$
Balance at beginning of year	154,990	198,934
Current year's tax expense on profit	250,734	154,990
Income tax paid	(154,939)	(199,620)
(Over)/under provision in respect of prior years	(51)	686
Balance at end of year	250,734	154,990

19. PROVISIONS

	2023 US$	2022 US$
Balance at beginning of year	54,370,520	53,739,301
Additions during the year	147,287	47,059
Unwinding of discount	2,033,832	584,160
Increase due to change in discount rate	4,560,164	–
Decrease due to change in estimate	(16,987,634)	–
Balance at end of year	44,124,169	54,370,520

The provision in respect of the decommissioning and restoration obligation for wells is estimated at US$ 113,114 (2022: US$ 98,192) per well as at 31 March 2023. The Group considered 17% of its share of the abandonment cost confirmed by the Operator for facilities. The year of abandonment is 2035. Management expects that the present value of the provision is sufficient to meet the Group's obligations at the end of the useful life of the project for the assets put to use as at 31 March 2023.

The provision as at 31 March 2023 is determined by discounting the expected obligation at a discount rate of 5.97 % (2022: 7.03%) and is expected to be utilised from 2026 (2022: 2026). The real discount rate used for discounting the expected obligation is subject to review on an annual basis.

20 DEFERRED TAXATION

	2023 US$	2022 US$
Deferred tax assets		
Accrued expenses and others	6,288,462	5,895,743
Provisions	24,268,291	29,903,786
Total deferred tax assets	30,556,753	35,799,529
Deferred tax liabilities		
Differences in depreciation	(146,980,807)	(141,632,794)
Net deferred tax liabilities	(116,424,054)	(105,833,265)

21. SHARE CAPITAL

	2023		2022	
	Number of shares	US$	Number of shares	US$
Issued and fully paid				
At beginning of the year	1,329,991,988	1,329,991,988	1,079,991,988	1,079,991,988
Issuance during the year	–	–	250,000,000	250,000,000
At end of the year	1,329,991,988	1,329,991,988	1,329,9991,988	1,329,991,988

The holder of ordinary shares is entitled to receive dividends as and when declared by the Group. All ordinary shares have no par value and carry one vote per share without restrictions.

22. FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve comprises the Group's share of transaction reserve from equity accounted joint ventures. Refer to statement of change in equity for the movements in reserve.

23. FAIR VALUE RESERVE

Fair value reserve relates to the cumulative fair value changes of equity instruments where the Group have elected irrevocably to present the fair value changes in other comprehensive income.

24. REVENUE

	2023 US$	2022 US$
Sale of crude oil	274,218,509	322,813,931
Services income	58,080	14,880
	274,276,589	322,828,811

24. REVENUE (continued)

	2023 US$	2022 US$
Geographical markets		
Oman	31,461,238	36,044,063
Singapore	242,815,351	59,864,642
United Arab Emirates	–	226,920,106
	274,276,589	322,828,811

The timing of the transferred goods and services is at a point in time when the performance obligation is satisfied. The Group does not have any amount of unsatisfied performance obligation as at the end of the reporting period.

25. COST OF SALES

Amortisation of intangible assets	15,116,801	24,641,136
Depreciation of property, plant and equipment	35,469,536	46,122,567
Exploration and production expenses	163,179,036	191,241,508
	213,765,373	262,005,211

26. OTHER INCOME

Dividend received from other investments	7,575,560	–
Foreign exchange gain, net	12,239	–
Sundry income	–	8,694
	7,587,799	8,694

27. FINANCE INCOME

Interest income from fixed deposits	1,981,558	106,259
Interest income from security deposits	422	445
Interest income from others	–	1,912
	1,981,980	108,616

28. ADMINISTRATIVE EXPENSES

Audit fee	47,050	106,765
Demurrage expense	–	8,694
Depreciation of property, plant and equipment	3,540	4,011
Depreciation of right-of-use assets	191,426	210,023
Employee benefits	162,523	166,725
Foreign exchange, net	–	7,681
Legal and professional charges	82,461	172,897
Others	64,647	39,448
Rental on short - term operating leases	12,234	–
	563,881	716,244

28. ADMINISTRATIVE EXPENSES (continued)

	2023 US$	2022 US$
Employee benefits		
Wages, salaries and allowances	161,289	165,184
Other benefits	1,234	1,541
	162,523	166,725

29. FINANCE COSTS

Amortisation of bank borrowing transaction costs	–	940,065
Guarantees	–	382,778
Interest expense on bank borrowings	–	1,201,245
Interest expense on lease liabilities	5,492	2,454
Unwinding of discount on provision	2,033,832	2,855,324
	2,039,324	5,381,866

30. INCOME TAX EXPENSE

(i) *Major components of income tax expense*

The major component of income tax expense for the years ended 31 March 2023 and 2022 are:

Statement of comprehensive income

Current tax expense	250,734	154,990
(Over)/under provision of tax in respect of prior years	(51)	686
Deferred taxation	10,590,789	8,259,541
Foreign tax	31,461,238	36,044,065
	42,302,710	44,459,282

(ii) *Relationship between tax expense and accounting profit*

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 March 2023 and 2022 are as follows:

Profit before tax	64,791,296	109,165,710
Tax expense on profit before tax at 17%	11,014,520	18,558,171
Adjustments:		
Share of result of joint ventures	456,704	(9,234,895)
Income not subjected to tax	(1,356,616)	(2,457,431)
Non-deductible expenses	71,536	4,432,791
Effects of difference in tax rates	32,121,578	33,301,412
Tax exemptions	(12,695)	(36,139)
(Over)/under provision of tax in respect of prior years	(51)	686
Others	7,734	(105,313)
	42,302,710	44,459,282

31. DIVIDENDS DECLARED

	2023 US$	2022 US$
Interim tax exempt (one-tier) dividend declared and paid		
– Ordinary shares 9.44 cents per share for financial year ended 31 March 2022	–	102,000,000
– Ordinary shares 14.13 cents per share for financial year ended 31 March 2023	188,000,000	–
	188,000,000	102,000,000

32. RELATED PARTY DISCLOSURES

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties that took place at terms agreed between the parties during the financial year:

(i) *Significant related party transactions*

	2023	2022
Holding company		
Demurrage fee to	–	8,694
Employee benefits to	38,451	45,583
Guarantee fee to	–	382,778
Interim dividend declared and paid to	188,000,000	102,000,000
Issuance of ordinary shares to	–	250,000,000
Legal and professional fee to	2,650	2,460
Reimbursement of road show to	55,675	–
Subscription charges to	39,670	13,006
Joint ventures		
Dividend income from	207,499,000	76,380,000
Investments in	23,000,000	5,100,000
Services income from	58,080	14,880

(ii) *Outstanding balances*

	2023	2022
Holding company		
Trade payables	–	25,055
Other receivables	23,728	–
Joint ventures		
Trade receivables	15,360	14,880

(iii) *Compensation of key management personnel*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Group. The director of the Group and the general management of the Group are considered as key management personnel of the Group.

	2023	2022
Director's fee	–	12,049

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk and liquidity risk. The Group's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Group. The Group does not have any written financial risk management policies and guidelines and there has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) ***Foreign currency risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has currency exposures arising from balances that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly Singapore Dollar (SGD). The Group also holds cash at bank denominated in foreign currencies for working capital purposes.

However, the Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis for foreign currency risk

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss and equity arising from the effects of reasonable possible changes in the SGD with all other variables held constant.

(ii) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other assets. Guidelines on credit terms provided to trade customers are established and continually monitored. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with reputable and well-established local and foreign banks, and companies with high credit ratings and no history of defaults.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. Credit policies with guidelines on credit terms and limits set the basis for risk control. New customers are subject to credit evaluation while the Group continues to monitor existing customers, especially those with repayment issues. In addition, appropriate allowances are made for probable losses when necessary for identified debtors.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

In order to minimise credit risk, the Group has developed and maintain the credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly-available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
2023						
Trade receivables	12	(a)	Lifetime ECL (simplified approach)	19,501,285	–	19,501,285
Other receivables	10	Performing	12-month ECL	30,140,257	–	30,140,257
Fixed deposits	13	(a)	Lifetime ECL (simplified approach)	24,000,000	–	24,000,000
					–	

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades (continued):

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
2022						
Trade receivables	12	(a)	Lifetime ECL (simplified approach)	26,414,527	–	26,414,527
Other receivables	10	Performing	12-month ECL	8,306,248	–	8,306,248
					–	

(a) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix (Note 12).

- ***Exposure to credit risk***

As at the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statement of financial position.

- ***Credit risk concentration profile***

As at the end of the reporting period, there were no significant concentrations of credit risk due to the Group's many varied customers.

It is the Group's policy to sell to a diversity of creditworthy customers so as to reduce concentration of credit risk.

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

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

- ***Financial assets that are either past due or impaired***

  Information regarding financial assets that are either past due or impaired is disclosed in Note 12 (Trade receivables).

(iii) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's financial assets and financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations:

	Total US$	**Within one year** US$	**Within two to five years** US$	**More than five years** US$
2023				
Financial assets				
Other investments	23,379,957	–	–	23,379,957
Trade receivables	19,501,285	19,501,285	–	–
Other receivables	30,140,257	30,117,665	22,592	–
Fixed deposits	24,000,000	24,000,000	–	–
Cash and cash equivalents	42,661,567	42,661,567	–	–
Total undiscounted financial assets	139,683,066	116,280,517	22,592	23,379,957
Financial liabilities				
Trade and other payables	43,906,670	43,906,670	–	–
Lease liabilities	279,297	145,720	133,577	–
Total undiscounted financial liabilities	44,185,967	44,052,390	133,577	–
Total net undiscounted financial assets/(liabilities)	95,497,099	72,228,127	(110,985)	23,379,957

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) ***Liquidity risk (continued)***

Analysis of financial instruments by remaining contractual maturities (continued)

2022	**Total** US$	**Within one year** US$	**Within two to five years** US$	**More than five years** US$
Financial assets				
Other investments	54,122,000	–	–	54,122,000
Trade receivables	26,414,527	26,414,527	–	–
Other receivables	8,306,248	8,284,398	21,850	–
Cash and cash equivalents	40,807,964	40,807,964	–	–
Total undiscounted financial assets	129,650,739	75,506,889	21,850	54,122,000
Financial liabilities				
Trade and other payables	33,504,058	33,504,058	–	–
Lease liabilities	471,247	197,130	274,117	–
Total undiscounted financial liabilities	33,975,305	33,701,188	274,117	–
Total net undiscounted financial assets/ (liabilities)	95,675,434	41,805,701	(252,267)	54,122,000

34. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amounts of financial assets and liabilities recorded as at the end of the reporting period by SFRS(I) 9 categories:

	2023 US$	**2022** US$
Financial assets at fair value through other comprehensive income		
Other investments	23,379,957	54,122,000
Financial assets at amortised cost		
Trade receivables	19,501,285	26,414,527
Other receivables	30,140,257	8,306,248
Fixed deposits	24,000,000	–
Cash and cash equivalents	42,661,567	40,807,964
	116,303,109	75,528,739
Financial liabilities at amortised cost		
Trade and other payables	43,906,670	33,504,058

35. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of a financial instrument 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 Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) ***Fair value of financial instruments that are carried at fair value***

The following tables shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1) 2023 US$	**Significant unobservable inputs (Level 3) 2022** US$
Financial assets		
At fair value through other comprehensive income (FVOCI) (Note 9)		
Other investments	23,379,957	54,122,000

(b) ***Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Current trade and other receivables and payables

The carrying amounts of these assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

35. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) *Fair value of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (continued)*

The Group does not anticipate that the carrying amounts recorded as at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

As at the end of the reporting period, the Group does not have any other financial instruments carried at fair value.

36. CAPITAL MANAGEMENT

The primary objective of the Group'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 the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholder, return capital to its shareholder or issue new shares.

The Group monitors its cash flow, debt maturity profile, and overall liquidity position on a regular basis. It is not subject to any externally-imposed capital management.

37. AUTHORISATION OF FINANCIAL STATEMENTS

The non-statutory consolidated financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 5 May 2023.