**IOCL SINGAPORE PTE. LTD.**
(Company registration number: 201613003E)
**AND ITS SUBSIDIARY**

**DIRECTORS' STATEMENT**
**AND**
**NON-STATUTORY CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2022**

**BDO LLP**
Public Accountants and
Chartered Accountants

## DIRECTORS' STATEMENT

The directors of IOCL Singapore Pte. Ltd. (the "Company") present their statement to the member together with the audited non-statutory consolidated financial statements of the Company and its subsidiary (the "Group") for the financial year ended 31 March 2022.

### 1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the non-statutory consolidated financial statements are drawn up so as to give a true and fair view of the financial position of the Group as at 31 March 2022, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

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

### 2. Directors

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

Tan Tow Siang (Chen Daoxiang)
Mohamed Tawfiq Bin Mohamed Zaini
Sandeep Kumar Gupta
Loo Boon San
Vinod Kumar
Hridesh Baindail

**Tan Tow Siang (Chen Daoxiang)**
Director

**Mohamed Tawfiq Bin Mohamed Zaini**
Director

6 May 2022

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**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBER OF IOCL SINGAPORE PTE. LTD.**

## Report on the audit of the non-statutory consolidated financial statements

### *Opinion*

We have audited the non-statutory consolidated financial statements of IOCL Singapore Pte Ltd (the "Company") and its subsidiary (collectively the "Group"), which comprise the consolidated statement of financial position of the Group as at 31 March 2022 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying non-statutory consolidated financial statements of the Group are properly drawn up in accordance with the accounting policies of the Indian Oil Corporation Limited group so as to give a true and fair view of the consolidated financial position of the Group as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 31 March 2022.

### *Basis for opinion*

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

### *Emphasis of matters*

We draw attention to Note 2 to the non-statutory consolidated financial statements, which describes the management's going concern assessment in relation to sanctions and impact arising from the Russia and Ukraine conflict. Our opinion is not modified in respect of this matter.

We also draw attention to Note 3.1 which describes the basis of preparation of the non-statutory consolidated financial statements which have been prepared in accordance with the accounting policies of the Indian Oil Corporation Limited group for purposes of providing information to enable it to prepare the financial statements of the Indian Oil Corporation Limited group and may not be suitable for another purpose. This report is intended solely for the Company and Indian Oil Corporation Limited and should not be distributed to or used by parties without our consent. Our opinion is not modified in respect of this matter.

**Report on the audit of the non-statutory consolidated financial statements** (Continued)

***Responsibilities of management and directors for the non-statutory consolidated financial statements***

Management is responsible for the preparation of the non-statutory consolidated financial statements that give a true and fair view in accordance with Indian Oil Corporation Limited group accounting policies, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair non-statutory consolidated financial statements and to maintain accountability of assets.

In preparing the non-statutory consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' responsibilities for the audit of the non-statutory consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the non-statutory consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the non-statutory consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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**Report on the audit of the non-statutory consolidated financial statements** (Continued)

***Auditors' responsibilities for the audit of the non-statutory consolidated financial statements*** (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the non-statutory consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the non-statutory consolidated financial statements, including the disclosures, and whether the non-statutory consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the non-statutory consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

DocuSigned by:

BDO LLP

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**BDO LLP**
Public Accountants and
Chartered Accountants

Singapore
6 May 2022

**IOCL SINGAPORE PTE. LTD.**
**AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**AS AT 31 MARCH 2022**

| | Note | Group 2022 US$ | Group 2021 US$ |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 208,431,656 | 202,635,858 |
| Intangible assets | 6 | 92,425,552 | 117,066,688 |
| Right-of-use assets | 28 | 461,520 | 251,280 |
| Investment in joint ventures | 8 | 1,078,856,101 | 1,100,957,422 |
| Equity investment at FVOCI | 9 | 54,122,000 | 22,038,000 |
| Other assets | 10 | 23,797 | 10,649 |
| | | 1,434,320,626 | 1,442,959,897 |
| **Current assets** | | | |
| Inventories | 11 | 49,091,030 | 51,583,937 |
| Trade receivables | 12 | 26,414,527 | 17,045,627 |
| Cash and bank balances | 13 | 40,807,964 | 26,291,232 |
| Other assets | 10 | 8,306,328 | 24,109,188 |
| | | 124,619,849 | 119,029,984 |
| **Total assets** | | 1,558,940,475 | 1,561,989,881 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 14 | 1,329,991,988 | 1,079,991,988 |
| Retained earnings | | 139,412,480 | 176,706,052 |
| Reserves | 14 | (104,788,512) | (131,728,276) |
| | | 1,364,615,956 | 1,124,969,764 |
| **Non-current liabilities** | | | |
| Lease liabilities | 28 | 270,133 | 53,914 |
| Provisions | 16 | 54,370,520 | 51,348,895 |
| Deferred tax liabilities | 26 | 105,833,265 | 97,573,724 |
| | | 160,473,918 | 148,976,533 |
| **Current liabilities** | | | |
| Trade and other payables | 17 | 33,504,058 | 28,566,905 |
| Borrowings | 15 | - | 259,079,104 |
| Lease liabilities | 28 | 191,553 | 198,641 |
| Income tax payable | | 154,990 | 198,934 |
| | | 33,850,601 | 288,043,584 |
| **Total liabilities** | | 194,324,519 | 437,020,117 |
| **Total equity and liabilities** | | 1,558,940,475 | 1,561,989,881 |

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

**IOCL SINGAPORE PTE. LTD.**
**AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

| | | Group | |
|---|---|---|---|
| | **Note** | **2022** | **2021** |
| | | **US$** | **US$** |
| Revenue from contracts with customers | 18 | 322,828,811 | 175,891,662 |
| Cost of sales | 19 | (261,477,116) | (154,974,554) |
| **Gross profit** | | 61,351,695 | 20,917,108 |
| Other operating income | 20 | 8,694 | 3,572 |
| Finance income | 24 | 108,616 | 549,403 |
| *Other items of expenses* | | | |
| Administrative expenses | 21 | (1,227,964) | (1,197,078) |
| Other operating expenses | 22 | (16,375) | (37,369) |
| Finance costs | 23 | (5,381,866) | (6,130,415) |
| Share of profit in joint ventures | 25 | 54,322,910 | 65,005,114 |
| **Profit before tax** | | 109,165,710 | 79,110,335 |
| Tax expense | 26 | (44,459,282) | (9,167,330) |
| **Profit for the year** | | 64,706,428 | 69,943,005 |
| **Other comprehensive income** | | | |
| ***Items that are or may be reclassified subsequently to profit or loss*** | | | |
| Share of other comprehensive income of joint ventures | | (5,144,236) | (171,206,868) |
| ***Item that will not be reclassified subsequently to profit or loss*** | | | |
| Equity investments at FVOCI – net change in fair value | | 32,084,000 | 1,962,640 |
| Total other comprehensive income for the year, net of tax | | 26,939,764 | (169,244,228) |
| **Total comprehensive income for the year** | | 91,646,192 | (99,301,223) |

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

**IOCL SINGAPORE PTE. LTD.**
**AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

| | | | Reserves | | |
|---|---|---|---|---|---|
| | Share capital US$ | Retained earnings US$ | Foreign currency translation reserve US$ | Fair value reserve US$ | Total equity US$ |
| **At 1 April 2021** | 1,079,991,988 | 176,706,052 | (133,764,259) | 2,035,983 | 1,124,969,764 |
| **Total comprehensive income for the year** | - | 64,706,428 | - | - | 64,706,428 |
| Profit for the year | | | | | |
| **Other comprehensive income** | | | | | |
| Share of foreign currency translation differences of equity-accounted investees | - | - | (5,144,236) | - | (5,144,236) |
| Net change in fair value of equity investments at FVOCI | - | - | - | 32,084,000 | 32,084,000 |
| **Total other comprehensive income** | - | - | (5,144,236) | 32,084,000 | 26,939,764 |
| **Total comprehensive income for the year** | - | 64,706,428 | (5,144,236) | 32,084,000 | 91,646,192 |
| **Transactions with owners, recognised directly in equity** | | | | | |
| ***Contributions by and distributions to owners*** | | | | | |
| Issuance of share capital | 250,000,000 | - | - | - | 250,000,000 |
| Dividends declared | - | (102,000,000) | - | - | (102,000,000) |
| **Total contributions by and distributions to owners** | 250,000,000 | (102,000,000) | - | - | 148,000,000 |
| **At 31 March 2022** | 1,329,991,988 | 139,412,480 | (138,908,495) | 34,119,983 | 1,364,615,956 |

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

**IOCL SINGAPORE PTE. LTD.**
**AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

| | | | Reserves | | |
|---|---|---|---|---|---|
| | Share capital | Retained earnings | Foreign currency translation reserve | Fair value reserve | Total equity |
| | US$ | US$ | US$ | US$ | US$ |
| **At 1 April 2020** | 1,079,991,988 | 146,763,047 | 37,442,609 | 73,343 | 1,264,270,987 |
| **Total comprehensive income for the year** | | | | | |
| Profit for the year | - | 69,943,005 | - | - | 69,943,005 |
| **Other comprehensive income** | | | | | |
| Share of foreign currency translation differences of equity-accounted investees | - | - | (171,206,868) | - | (171,206,868) |
| Net change in fair value of equity investments at FVOCI | - | - | - | 1,962,640 | 1,962,640 |
| **Total other comprehensive income** | - | - | (171,206,868) | 1,962,640 | (169,244,228) |
| **Total comprehensive income for the year** | - | 69,943,005 | (171,206,868) | 1,962,640 | (99,301,223) |
| **Transactions with owners, recognised directly in equity** | | | | | |
| ***Contributions by and distributions to owners*** | | | | | |
| Dividends declared | - | (40,000,000) | - | - | (40,000,000) |
| **Total contributions by and distributions to owners** | - | (40,000,000) | - | - | (40,000,000) |
| **At 31 March 2021** | 1,079,991,988 | 176,706,052 | (133,764,259) | 2,035,983 | 1,124,969,764 |

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

**IOCL SINGAPORE PTE. LTD.**
**AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

| | 2022<br>US$ | 2021<br>US$ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 109,165,710 | 79,110,335 |
| Adjustments for: | | |
| Share of profit in joint ventures | (54,322,910) | (65,005,114) |
| Depreciation of property, plant and equipment | 46,126,578 | 21,717,964 |
| Amortisation of right-of-use assets | 210,023 | 149,557 |
| Amortisation of intangible assets | 24,641,136 | 14,315,893 |
| Finance cost | 2,526,542 | 4,259,703 |
| Finance income | (108,616) | (549,403) |
| Unwinding of discount on decommissioning provision | 2,855,324 | 1,870,712 |
| Tax PSA paid to Oman Government | (36,044,063) | (12,856,868) |
| Other income | - | (3,572) |
| GST balances written off | - | 21,320 |
| Unrealised foreign exchange gain | (992) | 11,355 |
| | 95,048,732 | 43,041,882 |
| Changes in working capital: | | |
| Other assets | 15,790,158 | 12,623,953 |
| Inventories | 2,492,908 | (5,184,501) |
| Trade receivables | (9,368,901) | (4,061,255) |
| Trade and other payables | 4,937,151 | (16,403,786) |
| Net cash from operations | 108,900,048 | 30,016,293 |
| Income tax paid | (199,620) | (310,702) |
| **Net cash flow from operating activities** | 108,700,428 | 29,705,591 |
| | | |
| **Cash flows from investing activities** | | |
| Investment in joint ventures | (5,100,000) | (17,500,000) |
| Addition to property plant and equipment | (51,756,075) | (51,869,774) |
| Dividends received from joint venture | 76,379,995 | 77,792,542 |
| Interest received | 108,171 | 669,035 |
| Net maturity in short term deposits | - | 35,660,000 |
| **Net cash flow from investing activities** | 19,632,091 | 44,751,803 |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of share capital | 250,000,000 | - |
| Dividends paid | (102,000,000) | (110,000,000) |
| Repayment of bank borrowings | (260,019,171) | (20,000,000) |
| Interest paid | (1,200,952) | (2,628,067) |
| Guarantee fees paid | (385,524) | (755,953) |
| Payment of lease liabilities | (210,140) | (148,071) |
| **Net cash flow used in financing activities** | (113,815,787) | (133,532,091) |
| | | |
| **Net increase/(decrease) in cash and cash equivalents** | 14,516,732 | (59,074,697) |
| Cash and cash equivalents at 1 April | 26,291,232 | 85,365,929 |
| **Cash and cash equivalents at 31 March (Note 13)** | 40,807,964 | 26,291,232 |

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

Changes in liabilities arising from financing activities:

| | As on 1 April 2021 | Cash flows | Non-cash change on account of processing fees/lease liability | Dividend | As on 31 March 2022 |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| **2022** | | | | | |
| Borrowings | 259,079,104 | (260,019,171) | 940,067 | - | - |
| Lease liabilities | 252,555 | (210,140) | 419,271 | - | 461,686 |
| Dividends payable | - | (102,000,000) | - | 102,000,000 | - |

| | As on 1 April 2020 | Cash flows | Non-cash change on account of processing fees/lease liability | Dividend | As on 31 March 2021 |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| **2021** | | | | | |
| Borrowings | 278,158,209 | (20,000,000) | 920,895 | - | 259,079,104 |
| Lease liabilities | 262,887 | (148,071) | 137,739 | - | 252,555 |
| Dividends payable | 70,000,000 | (110,000,000) | - | 40,000,000 | - |

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

These notes form an integral part of and should be read in conjunction with the non-statutory consolidated financial statements.

The non-statutory consolidated financial statements were authorised for issue by the Board of Directors on 6 May 2022.

## 1. Incorporation and principal activities

IOCL Singapore Pte. Ltd. (the "Company") is a private company limited by share capital incorporated in the Republic of Singapore and has its registered office at 8 Cross Street, #24-03/04, Manulife Tower, Singapore 048424. The non-statutory consolidated financial statements as at and for the financial year ended 31 March 2022 comprise the Company, its subsidiary and interest in equity-accounted investees (together referred to as the "Group" and individually as "Group entities").

The Group's principal activities are holding investments in joint ventures, 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"). The Company's immediate and ultimate holding company is Indian Oil Corporation Limited, which is incorporated in India.

## 2. Going concern

The Group holds significant investments in joint ventures with interests in the Russian Federation as disclosed in Note 8 of the financial statements. The commencement of the special military operations in Ukraine by the Russian Federation in February 2022 and severe sanctions imposed by the United States of America, the European Union and numerous other countries on the Russian government is considered a significant event to the Group and the oil and gas industry as this may have a impact on the price of oil as supply may be limited globally.

Management has consulted its legal advisor and assessed that the sanctions imposed on Russia had no adverse effect on the Group's investment 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 March 2022.

As at the date of these financial statements, the operations of the investees in Russia, JSC Vankorneft and TYNGD LLC were not immediately affected by the sanctions and continued uninterrupted as its key customers are based in India and China which have 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 Group is profitable and has sufficient funds to meet its obligations as and when they fall due.

## 3. Summary of significant accounting policies

### 3.1 Basis of preparation of the non-statutory consolidated financial statements

The non-statutory consolidated financial statements of the Group for the financial year ended 31 March 2022 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 group

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.

### 3.2 Basis of consolidation

The non-statutory consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary IOCL Exploration & Production Oman Limited ("IEPOL"), a company incorporated in the United Kingdom. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiary is prepared using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

### 3.3 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 canying 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.

## 3. Summary of significant accounting policies (Continued)

### 3.3 Joint ventures (Continued)

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.

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.

### 3.4 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.

### 3.5 Foreign operation

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

## 3. Summary of significant accounting policies (Continued)

### 3.5 Foreign operation (Continued)

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

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

### 3.6 Revenue from contracts with customers

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.

Crued oil and related products

Revenue from sale of crude oil and refine products is recognised at a point 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 .

### 3.7 Borrowing costs

Borrowing costs that are attributable to the acquisition and construction of a qualifying asset are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit or loss.

## 3. Summary of significant accounting policies (Continued)

### 3.8 Employee benefits

***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### 3.9 Taxes

Income tax expense comprise current tax expense, deferred tax expense and tax-PSA (Profit Sharing Agreement).

Current income tax

Current income tax expense is the amount of income tax payable in respect of the taxable profit for a period. Current income tax liabilities for the current and prior periods shall be measured at the amount expected to be paid to the taxation authorities, using the tax rates and interpretation to applicable tax laws in the countries where the Group operates, that have been enacted or substantively enacted by the end of the financial year. Management evaluates its income tax provisions on periodical basis.

Current income tax expenses are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Tax-PSA

Income taxes at the rate of 55% are to be paid by the Government of Sultanate of Oman on behalf of the Group 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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases of asset and liabilities, except when the temporary difference arises from the initial recognition of goodwill or other assets and liabilities that is not a business combination and affects neither the accounting profit nor taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

## 3. Summary of significant accounting policies (Continued)

### 3.9 Taxes (Continued)

Deferred tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates expected to apply for the period when the asset is realised or the liability is settled, based on tax rate and tax law that have been enacted or substantially enacted by the end of financial year. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity.

### 3.10 Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws of Singapore, a distribution for interim dividend is authorised when it is approved by the Board and for final dividend, when approved by the shareholders. A corresponding amount is recognised directly in equity.

### 3.11 Under-liftment and over-liftment 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 nnder liftment/over liftment.

The under/over liftment 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 Profit and Loss and Comprehensive Income.

Under-liftings are recorded in other current assets valued at market value, and over-liftings are recorded in trade and other payables and accrued at the market value.

**3. Summary of significant accounting policies** (Continued)

**3.12 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.

**3.13 Property, plant and equipment**

***Recognition***

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Construction in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use, capitalisation of decommissioning and restoration costs associated with provisions for asset retirement (see below policy “Decommissioning and restoration costs”). The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

***Subsequent costs***

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

***Depreciation***

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

The depreciation and impairment are not normally charged on construction in progress. In the case of these assets, an impairment review would only be undertaken if, and only if, there was a change in circumstances indicating that the carrying amount of the asset may not be recoverable.

The Group’s share of the development costs of Wells and development cost of Facilities are depleted under the unit of production method over proved developed reserves of the field.

**3. Summary of significant accounting policies** (Continued)

**3.13 Property, plant and equipment** (Continued)

***Depreciation*** (Continued)

Office equipment and furniture is depreciated on a straight-line basis over a period ranging from 3 - 10 years depending upon the nature of the asset and their respective useful life.

The Group's share of General Property is depreciated on a straight-line basis over a period of five (5) years.

Estimates of the useful lives and residual values of property, plant and equipment are reviewed annually and adjusted if appropriate. Changes in estimates are accounted for prospectively over the remaining reserves of the field or remaining life of the asset.

***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.

**3.14 Intangible asset**

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.

**3.15 Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for lease of office building the Group has elected not to separate non-lease components of the lease and account for the lease and associated non-lease component as a single lease component.

**3. Summary of significant accounting policies** (Continued)

**3.15 Leases** (Continued)

**As a lessee** (Continued)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right- of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. There are renewal terms that can extend the lease term, and are included in the lease term when it is reasonably ce1tain that the Group will exercise the option.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses Group’s incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the tenns of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

## 3. Summary of significant accounting policies (Continued)

### 3.15 Leases (Continued)

**As a lessee** (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in a separate head and lease liabilities in 'Interest bearing and borrowings' in the statement of financial position.

**Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.16 Impairment of non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

## 3. Summary of significant accounting policies (Continued)

### 3.17 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

**Financial assets**

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's financial assets measured at amortised cost comprise trade receivables, other assets and cash and cash equivalents in the consolidated statement of financial position.

Equity instruments at fair value through other comprehensive income ("FVOCI")

The Group has an investments in an unlisted entity. For this equity investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Upon disposal, any balance within fair value reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss when the right to receive payment is establised, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

**3. Summary of significant accounting policies** (Continued)

**3.17 Financial instruments** (Continued)

**Financial assets** (Continued)

Equity instruments at fair value through other comprehensive income ("FVOCI") (Continued)

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in other comprehensive income and accumulated in fair value reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity

**Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost, comprise trade and other payables and borrowings in the consolidated statement of financial position.

*Borrowings*

Interest-bearing bank loans are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in the financial period it occurs.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of financial year, in which case they are presented as non-current liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

## 3. Summary of significant accounting policies (Continued)

### 3.18 Inventories

Inventories includes spare parts and store items which are valued at the lower of cost and net realisable value. Cost of inventories comprise of costs incurred in bringing each product to its present location and condition. Cost is determined using weighted average cost. Provision is made for obsolete, slow moving and defective stocks to write stocks down to their net realisable value, wherever necessary.

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.

### 3.19 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the consolidated statement of cash flows, cash and cash equivalents excludes any pledged deposits.

### 3.20 Provisions

The provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

## 4. Significant accounting judgements, estimates and assumptions

The preparation of the non-statutory financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

<u>Impairment of non-financial assets</u>

Impairment exists when the canying 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, estimates and assumptions** (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. As discussed in "Estimation of proved oil and gas reserves", reserves estimates are inherently imprecise. Furthermore, projections about unproved volumes are based on infonnation 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 amount of Property, plant and equipment and Intangible asset as at 31 March 2022 were US$ 208,431,656 (2021:US$202,635,858) and US$92,425,552 (2021:US$117,066,688) respectively.

**Fair value measurement**

Equity investment at FVOCI in the Group's statement of financial position require measurement at fair value.

The fair value measurement of the Group's non-financial asset utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- *Level 1:* Quoted prices in active markets for identical items (unadjusted)
- *Level 2:* Observable direct or indirect inputs other than Level 1 inputs
- *Level 3:* Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures Equity investment at FVOCI on a recurring. For more detailed information in relation to the fair value measurement including the carrying amounts and the estimation uncertainty involved, please refer to Note 9.

## 5. Property, plant and equipment

| | Office equipment and furniture US$ | General property US$ | Development cost - wells US$ | Development cost - facilities US$ | Construction in progress* US$ | Total US$ |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| **Cost** | | | | | | |
| At 1 April 2020 | 36,927 | 1,892,129 | 142,656,946 | 55,911,133 | 15,818,735 | 216,315,870 |
| Additions | - | 409,852 | 35,770,185 | - | 16,700,089 | 52,880,126 |
| Transfers | - | - | - | 22,509,823 | (22,509,823) | - |
| Change in estimate of decommissioning liability | - | - | (5,416,237) | (2,192,654) | - | (7,608,891) |
| At 31 March 2021 | 36,927 | 2,301,981 | 173,010,894 | 76,228,302 | 10,009,001 | 261,587,105 |
| Additions | - | 704,593 | 33,749,451** | - | 17,468,332 | 51,922,376 |
| Transfers | - | - | - | 10,034,174 | (10,034,174) | - |
| At 31 March 2022 | 36,927 | 3,006,574 | 206,760,345 | 86,262,476 | 17,443,159 | 313,509,481 |
| | | | | | | |
| **Accumulated depreciation and impairment** | | | | | | |
| At 1 April 2020 | 18,646 | 812,229 | 30,274,877 | 6,127,531 | - | 37,233,283 |
| Charge for the year | 5,752 | 388,728 | 14,661,160 | 6,662,324 | - | 21,717,964 |
| At 31 March 2021 | 24,398 | 1,200,957 | 44,936,037 | 12,789,855 | - | 58,951,247 |
| Charge for the year | 4,011 | 528,095 | 30,884,548 | 14,709,924 | - | 46,126,578 |
| At 31 March 2022 | 28,409 | 1,729,052 | 75,820,585 | 27,499,779 | - | 105,077,825 |
| | | | | | | |
| **Carrying amounts** | | | | | | |
| At 31 March 2021 | 12,529 | 1,101,024 | 128,074,857 | 63,438,447 | 10,009,001 | 202,635,858 |
| At 31 March 2022 | 8,518 | 1,277,522 | 130,939,760 | 58,762,697 | 17,443,159 | 208,431,656 |

* *Construction in progress includes capital expenditure incurred in relation to development costs wells and facilities.*

** *Included in the addition is an amount US$166,301 relating to capitalisation of decommissioning costs.*

## 6. Intangible assets

| | Mineral rights |
|---|---|
| | US$ |
| **Cost** | |
| At 31 March 2021 and 31 March 2022 | 232,104,097 |
| | |
| **Accumulated amortisation and impairment** | |
| At 1 April 2020 | 100,721,516 |
| Charge for the year | 14,315,893 |
| At 31 March 2021 | 115,037,409 |
| Charge for the year | 24,641,136 |
| At 31 March 2022 | 139,678,545 |
| | |
| **Carrying amounts** | |
| At 31 March 2021 | 117,066,688 |
| At 31 March 2022 | 92,425,552 |

## 7. Investment in subsidiary

| Name of subsidiary | Principal activity | Country of incorporation | Percentage of equity interest | |
|---|---|---|---|---|
| | | | 2022 | 2021 |
| | | | % | % |
| IOCL Exploration and Production Oman Limited | Exploration and production of oil and gas | United Kingdom | 100 | 100 |

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 issuance of shares to the immediate holding company.

On 31 January 2022, the Company entered into a Business Transfer Agreement with IEPOL in which IEPOL agreed to transfer all the assets and liabilities (including 17% participating interest in Mukhaizna Oil Field) with effect from 1 January 2022. In accordance with the Indian Oil Corporation Limited group accounting policies and for the purpose of non-statutory consolidated financial statements, the IEPOL's financial results were consolidated into the Company as if the merger did not take effect as IEPOL is wholly-owned subsidiary under common control. Accordingly, the consolidated statement of comprehensive income included Mukhaizna asset's results for the 15 month period from 1 January 2021 to 31 March 2022

## 8. Investment in joint ventures

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| At beginning of the year | 1,100,957,422 | 1,267,661,596 |
| Share in profit | 54,322,910 | 65,005,114 |
| Share in other comprehensive income | (5,144,236) | (171,206,868) |
| Additional investments in joint ventures | 5,100,000 | 17,500,000 |
| Dividends received | (76,379,995) | (77,792,542) |
| Others | - | (209,878) |
| As at end of the year | 1,078,856,101 | 1,100,957,422 |

Details of the joint ventures are as follows:

| **Name of joint venture** | **Principal activity** | **Country of incorporation** | **Percentage of equity interest** | |
|---|---|---|---|---|
| | | | **2022** | **2021** |
| | | | **%** | **%** |
| Directly held | | | | |
| Taas India Pte. Ltd.* | Investment holding | Singapore | 33.5 | 33.5 |
| Vankor India Pte. Ltd.* | Investment holding | Singapore | 33.5 | 33.5 |
| Urja Bharat Pte. Limited* | Extraction of oil and gas | Singapore | 50.0 | 50.0 |
| Bharat energy office LLC | Extraction of oil and gas | Russian Federation | 20.0 | - |

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

The Company has a residual interest in Taas India Pte. Ltd.'s, Vankor India Pte. Ltd.'s, and Urja Bharat Pte. Limited's net assets. Accordingly, the Company has classified its interest in the investments as joint ventures, which are equity-accounted.

| **Name of investee company** | **Principal activity** | **Country of incorporation** | **Percentage of equity interest** | |
|---|---|---|---|---|
| | | | **2022** | **2021** |
| | | | **%** | **%** |
| Indirectly held | | | | |
| Held by Taas India Pte. Ltd. as a joint venture: | | | | |
| TYNGD LLC* | Oil production and exploration | Russian Federation | 10 | 10 |
| Held by Vankor India Pte. Ltd. as an associate: | | | | |
| JSC Vankorneft* | Oil production and exploration | Russian Federation | 8 | 8 |

* Ernst and Young LLC is the auditor of the investee companies held by the joint ventures.

## 8. Investment in joint ventures (Continued)

### Summarised financial information of joint ventures

### Summarised statement of financial position

The following summarises the financial information of the Company's significant joint ventures based on the financial statements for the financial year ended 31 December 2021 prepared in accordance with Singapore FRS and modified for differences for alignment to the Group's accounting policies. No financial information with respect of these joint ventures was available for the period from 1 January 2022 to 31 March 2022. Management has assessed the movements for this period in the amounts of balances and transactions based on management accounts, changes in the business environment and any potential impairment indicators. Management concluded that no significant adjustment of share in net result of joint ventures is required.

| | Taas India Pte. Ltd. | | Vankor India Pte. Ltd. | | Urja Bharat Pte. Limited | | Bharat Energy Office LLC | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ |
| **Current assets** | 575,349,959 | 401,862,705 | 699,018,810 | 669,929,650 | 12,009,948 | 2,118,772 | - | - | 1,286,378,717 | 1,073,911,157 |
| Includes: | | | | | | | | | | |
| - Cash and cash equivalents | 574,038,565 | 401,649,317 | 536,463,248 | 668,454,793 | 11,161,579 | 1,377,665 | - | - | 1,125,663,392 | 1,071,491,805 |
| - Other assets | 1,311,394 | 213,388 | 162,555,562 | 1,464,857 | 848,369 | 741,107 | - | - | 164,715,325 | 2,419,352 |
| **Non-current assets** | 787,839,933 | 970,668,452 | 1,105,818,274 | 1,210,654,295 | 41,322,045 | 25,710,283 | - | - | 1,934,980,252 | 2,207,033,030 |
| **Current liabilities** | (1,503,898) | (5,312,793) | (1,109,201) | (6,189,836) | (16,378,401) | (13,572,286) | - | - | (18,991,500) | (25,074,915) |
| **Non-current liabilities** | - | - | (69,272) | - | - | - | - | - | (69,272) | - |

## 8. Investment in joint ventures (Continued)

**Summarised financial information of joint ventures** (Continued)

**Summarised statement of profit and loss and other comprehensive income**

| | Taas India Pte. Ltd. | | Vankor India Pte. Ltd. | | Urja Bharat Pte. Limited | | Bharat Energy Office LLC | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ |
| Share of profit in joint venture/ associate | 116,907,784 | 150,724,485 | 73,256,114 | 63,303,947 | - | - | - | - | 190,163,898 | 214,028,432 |
| Interest income from banks and related parties | 2,088,249 | 6,248,011 | 5,504,978 | 10,787,918 | - | - | - | - | 7,593,227 | 17,035,929 |
| Other loss | (4,559,413) | (3,497,996) | - | (3,285,582) | 2,241 | - | - | - | (4,557,172) | (6,783,578) |
| Expenses | (2,290,144) | (2,117,755) | (1,181,992) | (1,711,813) | (3,305,418) | (4,323,476) | - | - | (6,777,554) | (8,153,044) |
| **Profit/(loss) before tax** | 112,146,476 | 151,356,745 | 77,579,100 | 69,094,470 | (3,303,177) | (4,323,476) | - | - | 186,422,399 | 216,127,739 |
| Income tax expense | (13,671,346) | (8,272,842) | (8,966,171) | (11,680,303) | - | - | - | - | (22,637,517) | (19,953,145) |
| **Profit/(loss) for the year** | 98,475,130 | 143,083,903 | 68,612,929 | 57,414,167 | (3,303,177) | (4,323,476) | - | - | 163,784,882 | 196,174,594 |
| Other comprehensive income | (6,007,500) | (229,105,179) | (9,348,427) | (281,960,098) | - | - | - | - | (15,355,927) | (511,065,277) |
| **Total comprehensive income for the year** | 92,467,630 | (86,021,276) | 59,264,502 | (224,545,931) | (3,303,177) | (4,323,476) | - | - | 148,428,955 | (314,890,683) |

## 8. Investment in joint ventures (Continued)

**Summarised financial information of joint ventures** (Continued)

**Reconciliation of summarised financial information**

| | Taas India Pte. Ltd. | | Vankor India Pte. Ltd. | | Urja Bharat Pte. Limited | | Bharat Energy Office LLC | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ | 31 December 2021 US$ | 31 December 2020 US$ |
| **Net assets attributable to equity holders** | | | | | | | | | | |
| **As at 1 January** | 1,367,218,364 | 1,505,456,181 | 1,874,394,109 | 2,278,940,040 | 14,256,769 | (18,219,755) | - | - | 3,255,869,242 | 3,766,176,466 |
| Profit for the year | 98,475,130 | 143,083,902 | 68,612,929 | 57,414,167 | (3,303,177) | (4,323,476) | - | - | 163,784,882 | 196,174,593 |
| Other comprehensive income for the year | (6,007,500) | (229,105,179) | (9,348,427) | (281,960,098) | - | - | - | - | (15,355,927) | (511,065,277) |
| Contribution from shareholders | - | - | - | - | 26,000,000 | 36,800,000 | - | - | 26,000,000 | 36,800,000 |
| Dividends paid | (98,000,000) | (52,216,540) | (130,000,000) | (180,000,000) | - | - | - | - | (228,000,000) | (232,216,540) |
| **As at 31 December** | 1,361,685,994 | 1,367,218,364 | 1,803,658,611 | 1,874,394,109 | 36,953,592 | 14,256,769 | - | - | 3,202,298,197 | 3,255,869,242 |
| **At end of the year - Carrying value** | | | | | | | | | | |
| **Interest in joint venture (33.5%; 33.5%; 50%)** | | | | | | | | | | |
| **Carrying value** | 456,164,809 | 458,018,153 | 604,225,635 | 627,922,026 | 18,476,796 | 7,128,384 | - | - | 1,078,867,240 | 1,093,068,563 |
| Additions to joint venture* | - | - | - | - | - | 8,000,000 | 100,000 | - | 100,000 | 8,000,000 |
| Adjustment for partial prepayment of interest-free loan | (111,139) | (111,139) | - | - | - | - | - | - | (111,139) | (111,139) |
| **Net carrying value** | 456,053,670 | 457,907,014 | 604,225,635 | 627,922,026 | 18,476,796 | 15,128,384 | 100,000 | - | 1,078,856,101 | 1,100,957,424 |

* The addition to joint venture from 1 April 2021 to 31 March 2022 amounted to US$ 5,100,000 (2021: US$17,500,000) of which US$ 5,000,000 (2021:9,500,000) occurred in November 2021 and US$100,000 (2021:US$8,000,000) occurred in January 2022 and February 2022.

The joint ventures had no other contingent liabilities or commitments as at 31 December 2021 and 31 December 2020.

**8. Investment in joint ventures** (Continued)

**Summarised financial information of joint ventures** (Continued)

**Capital expenditure incurred during the year by joint venture companies**

| | | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|
| **Name of joint venture** | **Nature of relationship with Company** | **Effective interest held by the Company** | **Total capital expenditure incurred by the joint venture** | **Company's proportionate share of capital expenditure incurred by the joint venture** | **Total capital expenditure incurred by the joint venture** | **Company's proportionate share of capital expenditure incurred by the joint venture** |
| Taas India Pte. Ltd. | Joint venture | 33.5% | - | - | 1,197 | 401 |
| TYNGD LLC | Step-down Joint venture | 10% | 351,561,641 | 35,214,172 | 285,181,899 | 28,518,190 |
| Vankor India Pte. Ltd. | Joint venture | 33.5% | - | - | 1,201 | 402 |
| JSC Vankoneft | Associate of Joint venture | 8% | 175,728,792 | 14,069,724 | 234,448,048 | 18,755,844 |
| Urja Bharat Pte. Limited | Joint venture | 50% | 15,605,013 | 7,802,506 | 14,058,996 | 7,029,498 |

## 9. Equity investment at FVOCI

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| At the beginning of the year | 22,038,000 | 20,075,360 |
| Fair value recognised in OCI (Note 14) | 32,084,000 | 1,962,640 |
| At the end of the year | 54,122,000 | 22,038,000 |

The above investments represents 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.

## 10. Other assets

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| **Non-current** | | |
| Security deposits | 21,850 | 10,631 |
| | | |
| **Current** | | |
| Interest accrued on bank deposits | 3,139 | 13,225 |
| Security deposits | 10,679 | 23,162 |
| Short term deposits having original maturity of more than 3 months but less than 12 months | - | 18,000,000 |
| Other receivables | - | 149,469 |
| | 13,818 | 18,185,856 |
| | | |
| **Total financial assets** | 35,668 | 18,196,487 |
| | | |
| **Non-current** | | |
| Prepayments | 1,947 | 18 |
| | | |
| **Current** | | |
| Prepayments | 21,930 | 27,448 |
| Underliftment | - | 1,790,348 |
| Advance to operator | 5,033,508 | 2,821,760 |
| Advances to third parties | - | 782,050 |
| Other advances | 3,237,072 | 501,726 |
| | 8,292,510 | 5,923,332 |
| | | |
| **Total non-financial assets** | 8,294,457 | 5,923,350 |
| | | |
| **Total other assets** | 8,330,125 | 24,119,837 |

Other assets are denominated in United States dollar.

## 11. Inventories

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Store and spares | 49,091,030 | 51,583,937 |

Store and spares include material in transit as on 31 March 2022 amounting to US$526,520 (2021: US$1,193,416).

## 12. Trade receivables

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Third parties | 26,399,647 | 17,045,627 |
| Amount due from joint venture | 14,880 | - |
| | 26,414,527 | 17,045,627 |

Trade receivables from third parties and joint ventures are unsecured and generally due within 30 days (2021: 30 days) from the date of sale.

Trade receivables are denominated in United States dollar.

## 13. Cash and bank balances

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Cash at bank | 40,807,964 | 21,691,232 |
| Short-term deposits | - | 4,600,000 |
| | 40,807,964 | 26,291,232 |

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash and bank balances are denominated in the following currencies:

| | **2022** | **2021** |
|---|---|---|
| | **US$** | **US$** |
| United States dollar | 40,655,295 | 26,099,689 |
| Singapore dollar | 152,669 | 191,543 |
| | 40,807,964 | 26,291,232 |

## 14. Equity

| Share capital | Group and Company | | | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Number of ordinary shares | | Share capital | |
| | | | US$ | US$ |
| **Issued and paid up:** | | | | |
| At 1 beginning of the year | 1,079,991,988 | 1,079,991,988 | 1,079,991,988 | 1,079,991,988 |
| Issued during the financial year | 250,000,000 | - | 250,000,000 | - |
| At end of the year | 1,329,991,988 | 1,079,991,988 | 1,329,991,988 | 1,079,991,988 |

The ordinary shares have no par value, carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company. On 3 March 2022, the Company issued 250,000,000 new ordinary shares for total consideration of US$250,000,000.

**Reserves**

| | 2022 | 2021 |
|---|---|---|
| | US$ | US$ |
| **Foreign currency translation reserve** | | |
| As at beginning of the year | (133,764,259) | 37,442,609 |
| Share of foreign currency translation differences of equity-accounted investees | (5,144,236) | (171,206,868) |
| As at end of the year | (138,908,495) | (133,764,259) |

| | 2022 | 2021 |
|---|---|---|
| | US$ | US$ |
| **Fair value reserve** | | |
| As at beginning of the year | 2,035,983 | 73,343 |
| Net change in fair value of equity investments at FVOCI | 32,084,000 | 1,962,640 |
| As at end of the year | 34,119,983 | 2,035,983 |

## 15. Borrowings

| | Group | |
|---|---|---|
| | 2022 | 2021 |
| | US$ | US$ |
| **Current borrowings** | | |
| Bank borrowings | - | 259,079,104 |

In the prior financial year, bank borrowings measured at amortised cost include a loan from SMBC Bank having interest rate of LIBOR+0.68% p.a. and which had been paid before due date in the month of October 2021. Bank borrowings are unsecured in nature. The immediate holding company has provided a corporate guarantee to SMBC Bank covering all loan obligations.

The bank borrowings were fully settled during the financial year.

## 16. Provisions

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Provision for decommissioning cost: | | |
| As at beginning of the year | 51,348,895 | 56,076,721 |
| Additions during the year | 166,301 | 1,010,352 |
| Decrease due to change in estimate | - | (7,608,890) |
| Unwinding of discount | 2,855,324 | 1,870,712 |
| As at end of the year | 54,370,520 | 51,348,895 |

The provision in respect of the decommissioning and restoration obligation for wells is estimated at US$98,192 (2021: US$98,192) per well as at 31 March 2022. The Group considered 17% of its share of the abandonment cost confirmed by Mukhaizna 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 2022. The provision as at 31 March 2022 is determined by discounting the expected obligation at a real discount rate of 7.03% (2021: 7.03%) and is expected to be utilised from 2026 (2021: 2026). The real discount rate used for discounting the expected obligation is subject to review on an annual basis.

## 17. Trade and other payables

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| **Trade payables** | | |
| - Related party | - | 2,507,546 |
| - Others | 331,082 | - |
| | 331,082 | 2,507,546 |
| **Other payables** | | |
| - Accrued expenses | 22,826,586 | 18,612,382 |
| - Overliftment | 1,174,907 | - |
| - Others | 9,146,428 | 7,435,606 |
| - Holding company | 25,055 | - |
| Interest accrued on borrowings | - | 11,371 |
| | 33,172,976 | 26,059,359 |
| **Total trade and other payables** | 33,504,058 | 28,566,905 |

Trade payable to others relates to Quality adjustment payment and are generally due and paid within 15 days.

Other payables are non-interest bearing and have an average term of 30 to 60 days. Amount due from holding company is non-interest bearing, unsecured and is repayable on demand. For details on the Group's liquidity risk management processes, refer to Note 29.

Trade and other payables are denominated in United States dollar.

## 18. Revenue from contracts with customers

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Sale of crude oil | 322,813,931 | 175,834,062 |
| Sale of services | 14,880 | 57,600 |
| | 322,828,811 | 175,891,662 |

| | **2022** | **2021** |
|---|---|---|
| | **US$** | **US$** |
| **Geographical markets** | | |
| Oman | 36,044,063 | 12,856,868 |
| United Arab Emirates (UAE) | 226,920,106 | 162,977,194 |
| Singapore | 59,864,642 | 57,600 |
| | 322,828,811 | 175,891,662 |

Sale of services pertains to income from services provided by Group in relation to assistance to carry out operations of its Joint Venture (Urja Bharat Pte Limited) to facilitate its activities in Singapore.

## 19. Cost of sales

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Exploration and production expenses | 191,241,508 | 119,335,177 |
| Depreciation of property, plant and equipment | 45,594,472 | 21,323,484 |
| Amortisation of intangible asset | 24,641,136 | 14,315,893 |
| | 261,477,116 | 154,974,554 |

## 20. Other operating income

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Miscellaneous income | 8,694 | 3,572 |

## 21. Administrative expenses

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Legal and professional charges | 172,897 | 173,562 |
| Audit fees | 106,765 | 115,526 |
| Staff costs | 166,725 | 314,753 |
| Rental on short term operating leases | 10,734 | 15,908 |
| Depreciation of property, plant and equipment | 532,106 | 394,480 |
| Amortisation of right-of-use assets | 210,023 | 149,557 |
| Others | 28,714 | 33,292 |
| | 1,227,964 | 1,197,078 |
| **Staff costs** | | |
| Wages, salaries and allowances | 165,184 | 313,508 |
| Other expenses | 1,541 | 1,245 |
| | 166,725 | 314,753 |

## 22. Other operating expenses

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Net foreign exchange loss | 7,681 | 37,369 |
| Others | 8,694 | - |
| | 16,375 | 37,369 |

## 23. Finance costs

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Interest expense on bank borrowings | 1,201,245 | 2,610,499 |
| Interest on lease liabilities (Note 28) | 2,454 | 3,726 |
| **Total interest expense** | 1,203,699 | 2,614,225 |
| Guarantee fees to related party | 382,778 | 701,111 |
| Amortisation of bank borrowing transaction costs | 940,065 | 942,442 |
| Bank charges | - | 1,925 |
| Unwinding of discount on decommissioning provision | 2,855,324 | 1,870,712 |
| | 5,381,866 | 6,130,415 |

## 24. Finance income

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| **Interest income** | | |
| - From banks | 106,259 | 547,982 |
| - From others | 1,912 | 1,030 |
| - Discounting of security deposits | 445 | 391 |
| | 108,616 | 549,403 |

## 25. Share of profit in joint ventures

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| Share of profit in Taas India Pte. Ltd. | 32,989,168 | 47,933,107 |
| Share of profit in Vankor India Pie. Ltd. | 22,985,331 | 19,233,746 |
| Share of loss in Urja Bharat Pte. Limited | (1,651,589) | (2,161,739) |
| | 54,322,910 | 65,005,114 |

## 26. Tax expense

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| **Current tax expense:** | | |
| Current income tax charge | 155,678 | 198,934 |
| Under provision in previous year | - | 188 |
| Foreign tax - Production sharing agreement (PSA) | 36,044,063 | 12,856,868 |
| | 36,199,741 | 13,055,990 |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | 8,259,541 | (3,888,660) |
| **Income tax expense reported in the statement of profit and loss and other comprehensive income** | 44,459,282 | 9,167,330 |
| | | |
| ***Reconciliation of effective tax rate:*** | | |
| Profit before tax | 109,165,710 | 79,110,335 |
| | | |
| Income tax using Singapore tax rate at 17% (2021: 17%) | 18,558,171 | 13,448,757 |
| Effect of tax rate on foreign jurisdiction and other tax movement | (2,742,651) | (9,237,657) |
| Result of equity-accounted investee presented net of tax | (9,234,895) | (11,050,869) |
| Income not subjected to tax | (2,457,431) | (66) |
| Non-deductible expenses | 4,432,791 | 3,162,202 |
| Tax imposed in foreign jurisdiction | 36,044,063 | 12,856,868 |
| Tax exemptions | (36,139) | (12,789) |
| Under provision in previous year | - | 188 |
| Others | (104,627) | 696 |
| | 44,459,282 | 9,167,330 |

| | Assets | | Liabilities | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **US$** | **US$** | **US$** | **US$** |
| **Deferred tax assets and liabilities** | | | | |
| Provision | 29,903,786 | 28,241,892 | - | - |
| Lease liability | 78,487 | 42,935 | - | - |
| Property, plant and equipment | - | - | (141,632,794) | (129,370,288) |
| Right of use asset | - | - | (78,487) | (42,718) |
| Accrued expenses and others | 5,897,517 | 4,539,501 | (1,774) | (985,046) |
| Deferred tax assets/(liabilities) | 35,879,790 | 32,824,328 | (141,713,055) | (130,398,052) |
| **Net deferred tax (liabilities)** | - | - | (105,833,265) | (97,573,724) |

**26. Tax expense** (Continued)

| | Benefit | | Expense | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **US$** | **US$** | **US$** | **US$** |
| Property, plant and equipment | - | - | 12,262,506 | 5,362,123 |
| Lease liability | (35,553) | - | | 1,756 |
| Provision | (1,661,894) | - | | 2,600,331 |
| Right of use asset | - | (3,265) | 35,769 | - |
| Accrued expenses and others | (2,341,287) | (11,849,605) | - | - |
| **Deferred tax (benefit)/ expense** | (4,038,734) | (11,852,870) | 12,298,275 | 7,964,210 |
| **Net deferred tax (benefit)/ expense** | - | (3,888,660) | 8,259,541 | - |

**Reconciliation of deferred tax liabilities, net**

| | **2022** | **2021** |
|---|---|---|
| | **US$** | **US$** |
| At the beginning of the year | (97,573,724) | (101,462,383) |
| Tax expense during the period recognised in profit or loss | (8,259,541) | 3,888,659 |
| As at the end of the year | (105,833,265) | (97,573,724) |

## 27. Related party transactions

During the year, in addition to the information disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

| | Indian Oil Corporation Limited | | Taas India Pte. Ltd. | | Vankor India Pte. Ltd. | | Urja Bharat Pte. Limited | | Bharat energy office LLC | | Key Management Personnel | | Group total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ |
| **Transactions during the year** | | | | | | | | | | | | | | |
| Sale of services | - | - | - | - | - | - | 14,880 | 57,600 | - | - | - | - | 14,880 | 57,600 |
| Demurrage Fees | 8,694 | - | - | - | - | - | - | - | - | - | - | - | 8,694 | - |
| Guarantee commission | 382,778 | 701,111 | - | - | - | - | - | - | - | - | - | - | 382,778 | 701,111 |
| Legal and profrssional charges | 2,460 | 16,033 | - | - | - | - | - | - | - | - | - | - | 2,460 | 16,033 |
| Issued share capital | 250,000,000 | - | - | - | - | - | - | - | - | - | - | - | 250,000,000 | - |
| Staff cost | 45,583 | 70,633 | - | - | - | - | - | - | - | - | - | - | 45,583 | 70,633 |
| Directors fees | - | - | - | - | | - | - | - | - | - | 12,049 | 14,926 | 12,049 | 14,926 |
| Dividend income | - | - | 32,830,000 | 17,492,591 | 43,550,000 | 60,300,000 | - | - | - | - | - | - | 76,380,000 | 77,792,591 |
| Interim dividend declared and paid | 102,000,000 | 40,000,000 | - | - | - | - | - | - | - | - | - | - | 102,000,000 | 40,000,000 |
| Subscription charges | 13,006 | - | - | - | - | - | - | - | - | - | - | - | 13,006 | - |
| Investment in joint venture | - | - | - | - | - | - | 5,000,000 | 17,500,000 | 100,000 | - | - | - | 5,100,000 | 17,500,000 |
| **Outstanding balances** | | | | | | | | | | | | | | |
| Trade payable | - | 745,683 | - | - | - | - | - | - | - | - | - | - | - | 745,683 |
| Other payable | 25,055 | - | - | - | - | - | - | - | - | - | - | - | 25,055 | - |
| Trade receivables | - | - | - | - | - | - | 14,880 | - | - | - | - | - | 14,880 | - |

## 28. Leases

The Group leases office and employee accommodation facilities. The leases typically run for a period of 2 years, with an option to renew the lease after that date for a further period of 1-2 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The lease contracts that include extension options are further discussed below.

**Right-of-use assets**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| **Right-of-use assets** | | |
| At 1 April | 251,280 | 270,484 |
| Additions | 420,263 | 130,353 |
| Amortisation for the year | (210,023) | (149,557) |
| At 31 March | 461,520 | 251,280 |
| | | |
| **Lease liabilities** | | |
| At 1 April | 252,555 | 262,887 |
| Additions | 420,263 | 130,141 |
| Accretion of interest | 2,454 | 3,726 |
| Lease payments | | |
| - Principal portion | (210,140) | (148,071) |
| - Interest portion | (2,454) | (3,726) |
| Adjustment for rent concession | - | (3,572) |
| Foreign exchange difference | (992) | 11,170 |
| At 31 March | 461,686 | 252,555 |

The maturity analysis of lease liabilities of the Group at each reporting date are as follows:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **US$** | **US$** |
| **Contractual undiscounted cash flows** | | |
| - Not later than a year | 197,130 | 200,546 |
| - Between one and five years | 274,117 | 54,157 |
| | 471,247 | 254,703 |
| Less: Future interest expense | (9,561) | (2,148) |
| Present value of lease liabilities | 461,686 | 252,555 |
| | | |
| Current | 191,553 | 198,641 |
| Non-currrent | 270,133 | 53,914 |
| | 461,686 | 252,555 |

## 28. Leases (Continued)

The following are the amounts recognised in profit or loss:

| | 2022<br>US$ | 2021<br>US$ |
|---|---|---|
| Amortisation of right-of-use assets | 210,023 | 149,557 |
| Interest expense on lease liabilities (Note 23) | 2,454 | 3,726 |
| Expense relating to short-term leases | 10,734 | 76,547 |
| Variable lease payments | - | 15,907 |
| | 223,211 | 245,737 |

Lease liabilities are denominated in Singapore dollar.

## 29. Financial instruments and financial risks

The following sets out the financial instruments at the end of financial year:

| | 2022<br>US$ | 2021<br>US$ |
|---|---|---|
| **Financial assets** | | |
| Trade receivables | 26,414,527 | 17,045,627 |
| Cash and bank balances | 40,807,964 | 26,291,232 |
| Other assets | 35,668 | 18,196,487 |
| Financial assets at amortised costs | 67,258,159 | 61,533,346 |
| | | |
| **Financial liabilities** | | |
| Trade and other payables | 33,504,058 | 28,566,905 |
| Lease liabilities | 461,686 | 252,555 |
| Borrowings | - | 259,079,104 |
| Financial liabilities carried at amortised cost | 33,965,744 | 287,898,564 |

The Group’s activities expose it to credit risks, market risks (interest rate risks) and liquidity risks. The Group’s overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group’s financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group’s exposure to these financial risks or the manner in which it manages and measures the risk.

## 29. Financial instruments and financial risks (Continued)

### 29.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group's exposure to credit risk arises primarily from trade receivables, bank deposits and other assets.

Cash and cash equivalents are held with banks and financial institution counterparties, which are rated within A1 to Aa3, based on Moody's rating. Management does not expect these counterparties to fail to meet their obligations.

Trade and other receivables are monitored on an ongoing basis and whether the trade receivables and other assets are recoverable are estimated by the Group's management based on prior experience and the current economic environment. As at balance sheet date, there was concentration of credit risk. Trade receivables was due from 1 debtor accounted for 99% of the total trade receivables.

*Financial assets that are neither past due nor impaired*

Trade receivables that are neither past due nor impaired are creditworthy companies/parties with good payment record with the Group. The Group normally grants 30 days credit terms to its customers. Bank balances are mainly cash deposited with banks with high credit ratings and no history of default.

There is no other class of financial assets that is past due but not impaired except for trade and other receivables.

The age analysis of trade and other receivables past due but not impaired is as follows:

| | Group | |
|---|---|---|
| | 2022 | 2021 |
| | $ | $ |
| Not past due | 26,414,527 | 17,045,627 |

As at end of the year, there are no trade receivables that are deemed to be impaired and no allowance for impairment is made.

## 29. Financial instruments and financial risks (Continued)

### 29.2 Market risk

(i) Foreign currency risks

The Group operates in Oman where the operator's functional currency is United States dollar and hence the Group is not exposed to foreign exchange risk.

(ii) Commodity price risks

The Group's exposure to commodity price risks primarily arises from its trading activities. The price of crude oil, which is a global commodity is not set by the Group and is subject to fluctuations.

The Group manages its crude oil price risk relating to its physical trading activities by entering back to back transaction on fixed margin with buyer.

(ii) Interest rate risks

The Group's exposure to interest rate risk arises primarily from cash and cash equivalents and bank borrowings that are subject to insignificant interest rate exposure as at the end of the financial year. As such, interest rate sensitivity analysis is not deemed necessary.

### 29.3 Liquidity risk

Liquidity risk refer to the risk in which the Group encounters difficulty in meeting financial obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining cash, and available funding through an adequate amount of committed credit facilities sufficient to enable it to meet its operational requirements.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows.

| | Effective interest rate | Less than 1 year | Between one to five years | Total |
|---|---|---|---|---|
| | % | $ | $ | $ |
| **At 31 March 2022** | | | | |
| Trade and other payables | Nil | 33,504,058 | - | 33,504,058 |
| Lease liabilities | 1 - 1.8% | 197,130 | 274,117 | 471,247 |
| | | 33,701,188 | 274,117 | 33,975,305 |
| **At 31 March 2021** | | | | |
| Trade and other payables | Nil | 28,566,905 | - | 28,566,905 |
| Lease liabilities | 1 - 1.8% | 200,546 | 54,157 | 254,703 |
| Borrowings | 0.77% | 261,074,013 | - | 261,074,013 |
| | | 289,841,464 | 54,157 | 289,895,621 |

## 30. Fair value of assets and liabilities

### *(a) Fair value hierarchy*

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

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

- Level 2 – Inputs other than quoted prices included within Level 1 that are determined using the other observable inputs such as quoted prices for similar asset/liability in active markets, quoted prices for identical or similar asset/liability in non-active markets or inputs other than quoted prices that are observable for the asset or liability,

- Level 3 – Unobservable inputs for the asset or liability.

### *(b) Assets and liabilities carried at fair value*

Except as detailed in the following table, management considers that the carrying amounts of financial assets classified as loans and receivables and liabilities recorded at amortised cost in the financial statements approximate their fair values due to their relative short term maturity.

The following table shows an analysis of each class of assets carried at fair value at the end of the reporting period:

| | **Fair value measurement using Level 3** |
|---|---|
| | **US$** |
| **As at 31 March 2022** | |
| **Financial assets** | |
| Equity investment at FVOCI | 54,122,000 |
| | |
| **As at 31 March 2021** | |
| **Financial assets** | |
| Equity investment at FVOCI | 22,038,000 |

**30.** Fair value of assets and liabilities (Continued)

***(c) Level 3 fair value measurements***

The fair value of the non-listed equity investment in Lanzatech have been estimated using both market and income approach (2021: Option Pricing Model). The valuation requires management to make certain assumptions about the date of liquidity and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for investment in LanzaTech.

The fair value of this investment was categorised as Level 3 at 31 March 2022 (2021: Level 3). This was because the lowest level input (volatility) that is significant to the fair value measurement is unobservable.

**Description of significant unobservable inputs to valuation:**

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 March are shown below:

| | **Valuation technique** | **Significant unobservable inputs** | **Value** | **Change** | **Sensitivity of the inputs value** |
|---|---|---|---|---|---|
| **As at 31 March 2022** | | | | | |
| Non listed equity investments – LanzaTech | Income and market approach | Equity volatility | 86.10% | 1% increase<br>1% decrease | Decrease in fair value by $14,000<br>Increase in fair value by $15,000 |
| | | Expected time to liquidity event | 3 years | +1 year<br>-1 year | Decrease in fair value by $110,000<br>Increase in fair value by $146,000 |
| **As at 31 March 2021** | | | | | |
| Non listed equity investments – LanzaTech | Black Scholes OPM | Equity volatility | 57.90% | 1% increase<br>1% decrease | Decrease in fair value by $48,000<br>Increase in fair value by $48,000 |
| | | Expected time to liquidity event | 3 years | +1 year<br>-1 year | Decrease in fair value by $121,000<br>Increase in fair value by $217,000 |

## 31. 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 shareholders, return capital to shareholders or issue new shares.

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the Group and debt includes total borrowings of the Group.

| | 2022<br>US$ | 2021<br>US$ |
|---|---|---|
| Borrowings | - | 259,079,104 |
| Lease liabilities | 461,686 | 252,555 |
| **Net debt** | 461,686 | 259,331,659 |
| Equity | 1,364,615,956 | 1,124,969,764 |
| Total capital | 1,364,615,956 | 1,124,969,764 |
| **Capital and net debt** | 1,365,077,642 | 1,384,301,423 |
| Capital gearing ratio | 0.03% | 18.7% |

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any interest-bearing borrowings in the current and prior period.

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