INDEPENDENT AUDITOR'S REPORT

To: The shareholders of IndOil Global B.V.

A. Report on the audit of the financial statements 2020-2021 included in the annual report

Our opinion
We have audited the financial statements: for the year ended 31 March 2021 of IndOil Global B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of IndOil Global B.V. as at 31 March 2021, and of its result for 1 April 2020 to 31 March 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
1 the consolidated and company balance sheet as at 31 March 2021;
2 the consolidated and company profit and loss account for 1 April 2020 to 31 March 2021 and
3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of IndOil Global B.V. accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- the management report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;

- obtaining 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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 findings in internal control that we identify during our audit.

Yours Sincerely,
Audit NEXT
AuditNL Oost BV

M.A. Lodder AA

Arnhem, 24 April 2021
Our ref.: 1019257/22417

Oude Velperweg 79
6824HC Arnhem
Tel.: +31 (0) 20 894 9640
www.auditnext.nl

Audit Next – info@auditnext.nl – K.v.K. nr. 09060593

Indoil Global B.V.
Amsterdam, The Netherlands

Consolidated financial statements for the year ended 31.03.2021

Address of the Company	:	Olympic Stadium 24, 1076DE Amsterdam, The Netherlands
Chamber of Commerce	:	Amsterdam
File Number	:	600 929 39

General information (in the management report)
The Directors of IndOil Global B.V. ("Company") present herewith their reports for the period ended 31 March 2021 on the activities of the Company.

The Company having its statutory seat in Amsterdam, The Netherlands, was incorporated under the laws of the Netherlands on 25 February 2014. The Company has it business seat at Olympic Stadium 24, 1076DE Amsterdam, The Netherlands. The Company is registered with the Dutch Commercial Register under number 600 929 39.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

The law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with the provisions of the applicable statutory provisions and GAAP. Under applicable law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable GAAP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the applicable GAAP and legal requirements.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Core business
The activities of Indoil Global B.V. and its group companies consist mainly of act as a holding company and purchase/sale of Crude oil and sell acquire, develop and produce natural gas and natural gas liquids.

The Company's result after tax for the period is a loss of CAD 71.72 million (2020: loss of CAD 414.32 million).

In the current year, share in profit from Falcon Oil & Gas BV has decreased from profit of CAD 41.56 Million to loss of CAD 25.15 Million.

In the previous year, Indoil Montney Ltd. received a term loan facility (the "Term Loan") in the amount of $580 million from consortium of lenders and the Bank of Nova Scotia as the agent. The Term Loan is available until 26 February 2021, with each tranche drawn being payable in full 5 years after the date the tranche was drawn. The rate of interest applicable to each Tranche shall be the percentage rate per annum which is the aggregate of a margin of 0.89% and the CDOR rate. As per the term loan facility, the Company (the borrower) is required to maintain a positive Total Net Worth. Total Net Worth means at any time the aggregate of the amounts paid up or credited as paid up on the issued ordinary share capital of the Borrower and the amounts standing to the credit of the reserves of the Borrower. For the year ended March 31, 2021, the Company was in compliance with the covenant.

Legal structure
Indoil Global B.V. is a wholly owned subsidiary of Indian Oil Corporation Ltd., India.

Indoil Global B.V. has a 100% subsidiary, Indoil Montney Ltd., in Canada and a joint venture Falcon Oil & Gas B.V., in Netherlands. The Company has 30% stake in Falcon Oil & Gas B.V.

Information on risks and uncertainties
The Company is subject to the control framework of the IOCL group of companies, which is designed to manage rather than eliminate the risk failure to achieve business objectives and only provides reasonable and not absolute assurance against material misstatement or loss.

These risks discussed below could have a material adverse effect separately, or in combination, on our operational performance, earning, cash flows and financial conditions. The other activities and results that the Company is exposed to are a consequence of changing circumstances such as competitive position, economic, political, legal and social circumstances, development in industries and sectors as well as financial circumstances. The most significant risks in general terms are:

- The Company is exposed to fluctuating prices of crude oil, natural gas and oil products.
- The nature of the Company's operations exposes it, and the communities in which the Company works, to a wide range of health, safety, security and environment risks.
- The Company is exposed to treasury and trading risks, including liquidity risk, interest rate risk, foreign exchange risk, commodity price risk and credit risk. The Company is affected by the global macroeconomic environment as well as financial and commodity market conditions.
- The Company is exposed to changes in currency values and to exchange controls because of its substantial international operations. The Company may hold assets and is exposed to liabilities in other currencies than the reporting currency.
- The Company's ability to achieve strategic objectives depends on how the Company reacts to competitive forces.
- Rising climate change concerns have led and could lead to additional legal and/or regulatory measures which could result in project delays or cancellations, a decrease in demand for fossil fuels and additional compliance obligations, and therefore could adversely impact the Company's costs and/or revenue.
- The estimation of proved oil and gas reserves involves subjective judgements based on available information and the application of complex rules, so subsequent downward adjustments are possible.
- The Company's future performance depends on the successful development and deployment of new technologies and new products.
- Our projects and operations are conducted in joint arrangement. This could reduce our degree of control, as well as our ability to identify and manage risks. We have limited influence over, and control of, the behaviour, performance and costs of operation of such joint arrangement. Despite not having control, we could still be exposed to the risks associated with these operations, including reputational, litigation (where joint and several liabilities could apply) and government sanction risks.
- We rely heavily on information technology systems in our operations. Our business processes depend on reliable information technology (IT) systems. Our IT systems are increasingly concentrated in terms of number of systems and dependent on key contractors supporting the delivery of IT services. Timely detection is becoming increasingly complex, but we seek to detect and investigate all such security incidents, aiming to prevent their recurrence. Disruption of critical IT services, or breaches of information security, could harm our reputation and have a material adverse effect on our earnings, cash flows and financial condition.
- Developments in politics, laws and regulations can affect the Company's operations and earnings. These include forced divestments of assets, limits on production, imports and exports, international conflicts, including wars, civil unrest and local security concerns that threaten the safe operation of the Company facilities, price controls, tax increases and other retroactive tax claims, expropriation of property, cancellation of contract rights, and environmental regulations, pandemic diseases, such as the COVID-19 (coronavirus) outbreak, etc.

It is difficult to predict timing or severity of these occurrences or their effect upon the Company and when such risks materialize they could affect, reputation, operational performance and financial positions of the Company located in the country concerned.

As seen in recent years, these risks can manifest themselves in the countries in which we operate and elsewhere. These risks affect people and assets. These risks can threaten the safe operation of our facilities and transport of our products, cause disruption of operational activities, environmental harm, loss of life, injuries and impact the well-being of our people. Further, these risks could have a material adverse effect on our earnings, cash flows and financial condition. We seek to obtain the best possible information to enable us to assess threats and risks. We conduct detailed assessments for all our sites and activities, and implement appropriate measures to deter, detect and respond to security risks. Political developments in other countries in the region where the Company has an interest are monitored for their financial impact on an ongoing basis.

Disclosure of the distribution of seats

During the year 2020-21 Ms. Dhivya Gopal Kanakaraj and Mr. Hema Venkata Siva Nagasurendra Gajrala were appointed as directors of Indoil Global B.V.

As a result, the female/male percentage remain same to 25/75 in 2020/21 (25/75 in 2019/20).

Signed on______________2021

G.K. Dhivya

Director A
Dhivya Gopal Kanakaraj

G.H.V.S.N.

Director A
Hema Venkata Siva Nagasurendra Garjala

Director B
Sandeep Kumar Gupta

Director B
Om Prakash

Consolidated Balance Sheet as at 31 March 2021

(Before proposed appropriation of result)

	Notes		31 Mar 2021		31 Mar 2020
			CAD		CAD
ASSETS					
Fixed assets					
Tangible fixed assets	1				
Plant and equipment		721,237,127		724,469,238	
Exploration & evaluation assets		285,052,927		262,003,159	
			1,006,290,054		986,472,397
Financial fixed assets					
Investment in Falcon Oil & Gas B.V.	2		255,678,299		313,296,183
Current assets					
Deferred Tax Asset			251,103		-
Receivables					
Trade receivables	3	12,425,335		57,656,683	
Other accounts receivable	4	-		-	
Accruals and prepaid expenses	5	49,574		68,306	
			12,474,909		57,724,989
Cash & Cash equivalents	6		28,436,004		13,853,353
Total Assets			**1,303,130,369**		**1,371,346,922**

(Before proposal appropriation of result)

	Notes		31 Mar 2021		31 Mar 2020
			CAD		CAD
Liabilities					
Group equity	7		690,163,436		803,630,864
Long term liabilities					
Amounts owed to credit institutions	8	572,262,301		477,202,301	
Other long-term liabilities	9	28,041,617		27,987,426	
			600,303,918		505,189,727
Current Liabilities					
Account payable & Other liabilities	10				
Current portion long term loan		-		-	
Accounts payable		1,476,133		1,203,116	
Company tax		-		254,365	
Other liabilities and accrued expenses		11,186,882		61,068,851	
			12,663,015		62,526,332
			1,303,130,369		**1,371,346,923**

Consolidated Profit and Loss account for the period 01-04-2020 until 31-03-2021

	Notes		2020-21 CAD		2019-20 CAD
Net turnover	**11**	178,865,807		437,935,818	
Cost of sales	**12**	(121,965,197)		(399,296,637)	
Gross margin			**56,900,610**		**38,639,181**
Exploration & Production expenses	**13**	(44,319,290)		(39,263,972)	
Personnel expenses	**14**	(712,906)		(479,961)	
Depreciation on fixed assets	**15**	(43,456,219)		(437,440,387)	
Accretion of decommissioning liability	**16**	(448,724)		(674,572)	
Other operating expenses	**17**	(1,131,668)		(1,197,679)	
Total operating expenses			**(90,068,807)**		**(479,056,571)**
Operating result			**(33,168,197)**		**(440,417,390)**
Financial income and expense	**18**		(13,647,140)		(15,205,454)
Consolidated result of ordinary activities before taxation			**(46,815,337)**		**(455,622,844)**
Taxation			251,103		(251,103)
			(46,564,234)		(455,873,947)
Share in result of participations	**19**		(25,153,194)		41,558,081
Net consolidated results after taxation			**(71,717,428)**		**(414,315,866)**

Consolidated Cash Flow Statement for the period 01-04-2020 until 31-03-2021

		2020-21		2019-20
		CAD		CAD
Cash flow from operating activities				
Operating result		**(33,168,197)**		**(440,417,390)**
Adjustments for				
Depreciation of (in)tangible fixed assets	43,456,219		437,440,387	
Accretion of decommissioning liability	448,724		674,572	
		43,904,943		**438,114,959**
Changes in working capital				
Trade receivables	45,231,347		40,453,599	
Other short-term receivables	(251,103)		-	
Other accounts receivable	-		3,768,148	
Accruals and prepaid expenses	18,732		(22,723)	
Movements securities	(1,841,464)		911,191	
Current liabilities, accruals and deferred income (excluding banks)	(49,863,317)		(158,582,247)	
		(6,705,805)		**(113,472,032)**
Cash flow from business activities		**4,030,939**		**(115,774,463)**
Interest received	16,815		632,424	
Interest paid	(11,822,490)		(16,749,069)	
Taxation	251,103		(251,103)	
		(11,554,572)		**(16,367,748)**
Cash flow from operating activities		**(7,523,633)**		**(132,142,211)**
Cash flow from investment activities				
Investments in tangible assets	(62,120,483)		(99,570,817)	
Investments in financial fixed assets	-		-	
Dividend received	32,464,691		-	
Disposal of tangible fixed assets	-		50,176,895	
		(29,655,792)		**(49,393,922)**
Cash flow from financing activities				
Receipts from issuance of share capital	-		-	
Share premium in financial year	-		-	
Receipts from long-term liabilities	93,000,000		426,771,098	
Repayments to long-term liabilities	-		(254,375,265)	
Dividend paid	(41,750,000)		-	
Correction: Accretion of decommissioning liabilities	512,076		(674,572)	
		51,762,076		**171,721,261**
Cash flow from financing activities				
Movements cash		**14,582,651**		**(9,814,872)**
Turnover movement cash and cash equivalents				
Balance as at beginning of financial year		**13,853,353**		**23,668,225**
Movements during financial year		**14,582,651**		**(9,814,872)**
Balance as at financial year end		**28,436,004**		**13,853,353**

Entity information

Registered address and registration number trade register

The registered and actual address of Indoil Global B.V. is Olympic Stadium 24, 1076DE Amsterdam The Netherlands. Indoil Global B.V. is registered at the trade register under number 600 929 39.

General notes

The most important activities of the entity

The activities of Indoil Global B.V. and its group companies consist mainly of act as a holding company and purchase/sale of Crude oil and sell acquire, develop and produce natural gas and natural gas liquids.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Indoil Global B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Disclosure of consolidation

Indoil Global B.V. prepared consolidated Dutch GAAP financial statements of IndOil Global B.V. and its subsidiary, IndOil Montney Ltd. These consolidated financial statements are also the statutory financial statements of the Company.

The policies for consolidation

The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

General accounting principles

The accounting standards used to prepare the financial statements

The consolidated financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Board for Annual Reporting').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Accounting principles

Property, plant and equipment
The Company's property, plant and equipment primarily consists of oil and natural gas development and production assets. Property, plant and equipment is stated at cost, less accumulated depletion, depreciation, amortization and accumulated impairment losses. Development and production assets represent the cost of developing the commercial reserves and initiating production and are accumulated into major area cost centres for purposes of determining depletion, depreciation, impairment decommissioning and other financial measurements.

Capitalization, Recognition and Measurement
The capital cost of an asset is the aggregate of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning provision, and for qualifying assets, borrowing costs. For acquired assets or businesses, the purchase price is the aggregate amount paid and the fair value of any other consideration given up to acquire the asset or business. Expenditures on major maintenance, inspections or overhauls and well workovers are capitalized when the item enhances the life or performance of an asset above its original standard.

Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the replacement item will flow to the Company, the replacement expenditure is capitalized and the carrying amount of the replaced asset is charged to the statement of income and comprehensive income.

When an item of property, plant and equipment is disposed of, or when there are no net future economic benefits expected from the continued use of the asset, the asset is removed from the accounts (derecognized) and any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in the statement of income and comprehensive income.

Exploration and Evaluation Expenditures
Oil and gas exploration and evaluation expenditures are accounted for in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources. Costs incurred before acquiring the legal right to explore in an area (pre-license costs) are recognized in the statement of income (loss) and comprehensive income (loss). Costs incurred after the legal right to explore an area has been obtained, and before technical feasibility and commercial viability of the area have been established, are capitalized as E&E assets on an area by area basis. These costs include license acquisition, geological and geophysical, drilling, sampling, decommissioning and other directly attributable internal costs.

E&E assets are not depreciated and are capitalized until technical feasibility and commercial viability of the area is determined, or the assets are determined to be impaired. Once technical feasibility and commercial viability have been established for an area, the carrying value of the E&E assets associated with that area are tested for impairment. The carrying value, net of any impairment loss, is then reclassified from E&E to development and production. If reserves are not identified, these costs are expensed in the statement of income (loss) and comprehensive income (loss).

Development and Production Expenditures
Property, plant and equipment, which includes petroleum and natural gas development and production assets, is measured at cost (including directly attributable general and administration costs) less accumulated depletion and depreciation and accumulated impairment losses. Cost includes lease acquisition, drilling and completion, production facilities, decommissioning costs, geological and geophysical costs and directly attributable costs related to development and production activities, net of any government incentive programs.

Asset Swaps and Exchanges
Exchanges of development and production assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. Any gain or loss on derecognition of the asset given up is recognized in the statement of income and comprehensive income. For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at carrying value.

Depletion, Depreciation and Amortization

Proved property acquisition costs and proved property well and development costs are depleted on a unit- of-production basis. Proved property acquisition costs are depleted over total proved reserves and costs related to area cost centres for petroleum and natural gas properties are depleted on the total proved developed reserves allocated to the area.

The net carrying value of oil and gas properties is depleted using the unit of production method by reference to the ratio of production in the period to the related total proved reserves and proved developed reserves as per the most recent reserve reports prior to the reporting date. Total proved reserves are estimated using independent reservoir engineering reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Petroleum and natural gas assets are not depleted until commercial production commences in the Cash Generating Unit (CGU).

Other capitalized costs, such as pipelines, facilities, and office furniture and fixture, lease hold improvements and computer equipment are depreciated principally using the straight-line method based on the estimated useful life of the assets. The Company determines the average useful lives to be 25 years for pipelines and processing facilities, 5 years for office furniture and fixture and lease hold improvements, and 3 years for computer equipment.

Depreciation methods, useful and residual values are reviewed at each financial year end and adjustments relating to changes in estimates are recorded prospectively.

Impairment of property, plant and equipment

At each reporting period the Company assesses whether there are indicators of impairment for its PP&E. If indicators exist, the Company determines if the recoverable amount of the asset or CGU is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs. If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in net income in depletion expense. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm’s length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model. The Company uses the present value of the CGU’s estimated future cash flows from both proved and probable reserves in its fair value model. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in net income. The recovery is limited to the original carrying amount less depletion and depreciation that would have been recorded had the asset not been impaired.

All impairment losses are recognized in the statement of income and comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

E&E costs are subject to regular technical, commercial and management review to confirm the continued intent to develop the resources. If an area is determined to no longer be technically feasible or commercially viable and Management decides not to continue the exploration and evaluation activity, the unrecoverable costs are charged to exploration expense in the period in which the determination occurs. Any gains or losses from the divestiture of E&E assets are recognized in statement of income and comprehensive income. The Company includes E&E assets with producing assets as one CGU grouping for the purpose of impairment testing.

Financial Instruments

a) Fair Value of Financial Instruments:

Financial instruments comprise cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and term loan.

There are three levels of fair value by which a financial instrument can be classified:

Level 1 - Quoted prices in active markets for identical assets and liabilities such as traded securities on a registered exchange where there are a sufficient frequency and volume of transactions to provide ongoing pricing information.

Level 2 - Inputs other than quoted prices that are observable for the asset and liability either directly and indirectly such as quoted forward prices for commodities, time value and volatility factors which can be substantially observed or corroborated in the marketplace; and

Level 3 - Inputs that are not based on observable market data.

The fair value of cash and cash equivalents, accounts receivable and accounts payable, approximate their carrying amounts due to their short-term maturities.

b) Recognition of Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions that define the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Financial assets and financial liabilities are initially recognized at fair value. For those at amortized cost this amount is normally the transaction price plus directly attributable transaction costs. All other transaction costs are expensed as incurred.

The subsequent measurement of the Company's financial instruments depends on their classification determined by the purpose for which the instruments were acquired, as follows:

i. Amortized Cost

Accounts receivable, deposits, accounts payable and accrued liabilities, term loan are measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

ii. Fair Value Through Profit and Loss (FVTPL)

As at March 31, 2021, the Company did not have any financial instruments measured at FVTPL.

iii. Fair Value Through Other Comprehensive Income (FVTOCI)

As at March 31, 2021, the Company did not have any financial instruments measured at FVTOCI.

c) Impairment of Financial Instruments:

The Company has expected credit loss ("ECL") impairment model for all financial assets and certain off- balance sheet loan commitments and guarantees. The ECL model will result in an allowance for credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

The ECL model requires the recognition of credit losses based on 12 months of expected losses for financial assets (Stage 1) and the recognition of lifetime ECL on financial assets that have experienced a significant increase in credit risk since origination (Stage 2). IFRS 9 permits entities to apply a simplified approach to trade receivables, contract assets and lease receivables, where a lifetime ECL will be measured at initial recognition of the financial asset.

The Company recognizes loss allowances for ECL on its financial assets measured at amortized cost. The Company does not have any financial assets that contain a financing component. The Company has not designated any financial instruments as FVOCI, nor does the Company use hedge accounting.

Receivables

Accounts receivable and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest rate method if the time value of money is significant. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company’s accounts receivable are comprised of accounts receivable which are included in current assets due to their short-term nature as are deposits, cash and cash equivalents, and cash call receivable.

Cash and Cash Equivalents

Cash and Cash Equivalents include cash on hand, deposit held with banks and other short-term highly liquid investments with maturities of three months or less from inception.

Non-Current Liabilities

Financial liabilities at amortized cost include accounts payables and term loan. Accounts payables are initially recognized at fair value. Subsequently, accounts payables are measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are classified as non-current liabilities.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Non-Current Other Payables

Decommissioning Liabilities

A decommissioning liability is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be reasonably estimated, and it is probable that a future outflow of economic benefits will be required to settle the obligation. Decommissioning liabilities are determined by discounting the expected future cash flows at a risk-free rate at the reporting date. The obligation is recorded as a liability on a discounted basis using the relevant risk-free rate, with a corresponding increase to the carrying amount of the related asset.

Over time, the liabilities are accreted for the change in their present value and the capitalized costs are depleted on a unit-of-production basis over the life of the asset. Revisions to the discount rate, estimated timing or amount of future cash flows would also result in an increase or decrease to the decommissioning liability and related asset and the related earnings impact reported in current and future periods.

Accounting Principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year.The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Revenue associated with the sales of natural gas, natural gas liquids (“NGLs”) and crude oil owned by the Company is recognized when title passes from the Company to its customer. This generally occurs when product is physically transferred into a vessel, pipeline or other delivery mechanism.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

The Company follows the liability method of accounting for income taxes. Under this method, deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the deferred tax asset or liability is settled based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The effect of a change in income tax rates on deferred income taxes is recognized in net income in the period in which the change occurs.

Cash Flow Statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than twelve months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates.

Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group corpora- tion has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group corporation have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement.Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

Leases

At the inception of a contract, the Company assesses whether a contract is or contains a lease. The Company then determines if the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and that the Company has the right to direct the use of the identified assets. The term of the lease is defined as the non-cancellable period of the lease, plus periods in which there is reasonable certainty that the Company will exercise and option to extend or to cancel the lease.

When a lease is identified, a right of use asset and a lease liability are recognized at the present value of the lease payments discounted using the interest rate implicit in the lease or if that rate is not determinable at the Company's incremental rate of borrowing. Payments on the lease have a finance cost component, which are reported on the consolidated statement of comprehensive income, and a liability repayment portion.

The initial cost of right of use assets are adjusted for any lease incentives received and any initial direct costs. Right of use assets are depreciated over the shorter of the lease term or the useful life of the assets. Right of use assets are presented net of accumulated depreciation and impairment losses.

	31 Mar 2021	31 Mar 2020
	CAD	CAD
1 Tangible fixed assets		
Property, plant and equipment		
Petroleum and natural gas assets at cost	1,070,574,138	1,030,350,030
Other fixed assets	320,646	320,646
Accumulated depletion, depreciation, amortization and Impairment	(349,657,657)	(306,201,438)
	721,237,127	**724,469,238**

Included in property, plant and equipment is $190 million (31 March 2020 - $214 million) that is not subject to depletion.
This portion relates to the probable portion of the purchase price allocation (PPA) which is transferred to the depletable portion of acquisition cost on a straight-line basis over 12 years.

Cost		
Balance as per 1 April	1,030,670,676	986,643,484
Additions	-	-
Dispositions	-	(43,927)
Transfers from exploration and evaluation	39,070,715	50,176,894
Changes in decommissioning cost	1,153,393	(6,105,775)
Balance as per 31 March	**1,070,894,784**	**1,030,670,676**

Accumulated depletion		
Balance as per 1 April	(306,201,438)	(263,804,978)
Accumulated depletion associated with disposition	-	43,927
Depletion, depreciation, amortization and impairment	(43,456,219)	(42,440,387)
Total	**(349,657,657)**	**(306,201,438)**
Property, Plant and Equipment - Balance as per 31 March	**721,237,127**	**724,469,238**

Exploration and evaluation assets		
Balance, beginning of year	262,003,159	651,680,356
Additions	62,120,483	55,499,697
Impairment	-	(395,000,000)
Transfer to property, plant and equipment	(39,070,715)	(50,176,894)
Balance, end of year	**285,052,927**	**262,003,159**

Exploration and evaluation assets consist of the Company's undeveloped land and exploration projects that are pending the determination of technical feasibility and commercial viability.
During the year, Company has incurred capital expenditure of CAD 62,120,483 at Indoil Montney Ltd. level towards NMJV Project.

Impairment

Impairment is assessed based on the recoverable amount compared with the asset's carrying amount to measure the amount of the impairment. The recoverable amount is estimated based upon the higher of the value in use or FVLCD. In addition, where a non-financial asset does not generate largely independent cash inflows, the Company is required to perform its test at a CGU, which is the smallest identifiable grouping of assets that generates largely independent cash inflows. The Company only has one CGU, the NMJV (North Montney Joint Venture) CGU.

PPE impairment

For the year ended March 31, 2021, the Company did not identify any indicators of impairment in its PPE assets in the NMJV CGU.

At March 31, 2020, the Company identified indicators of impairment attributable to declines in natural gas and oil prices. The Company calculated the recoverable amount of the NMJV CGU based on forecasted cash flows from proved plus probable reserves using an 8.50% before-tax discount rate and a 10.00% before-tax discount rate for its contingent reserves. Based on the assessment, the carrying amount was lower than its recoverable amount. As such, no impairment loss was recognized on the NMJV PPE assets.

E&E Impairment

For the year ended March 31, 2021, the Company did not identify any indicators of impairment in its E&E assets in the NMJV CGU.

At March 31, 2020, the Company identified indicators of impairment in its E&E assets from its NMJV attributable to declines in natural gas and oil prices. The Company calculated the recoverable amount of the NMJV CGU based on VIU, considering forecasted cash flows from proved plus probable reserves using an 8.50% before-tax discount rate and a 10.00% before-tax discount rate for its contingent reserves. Based on the assessment as at March 31, 2020, an impairment of $395 million was recognized.

The estimates of the recoverable amounts were determined based on the following information, as applicable:

i. Proved plus probable reserves as estimated by the Company's independent reserves evaluator, and;
ii. A commodity price forecast as noted below, adjusted for location and quality differentials.

Below are the forward commodity price estimates used in the 31 March 2020 impairment test:

Year	AECO (gas) ($/MMBtu)	Light crude oil ($/Bbl)
2021	2.19	41.06
2022	2.43	51.41
2023	2.5	57.42
2024	2.55	60.44
2025	2.62	61.66
2026	2.67	62.93
2027	2.73	64.21
2028	2.78	65.99
2029	2.84	67.32
2030	2.9	68.64
Therefore	+2% per year	+2% per year

A sensitivity analysis was performed on impairment based on a 1% increase and 1% decrease in the discount rates resulting in a $142 million increase and $175 million decrease in March 31, 2020 impairment, respectively.

Financial fixed assets

North Montney Joint Venture (NMJV)

On 25 March 2014, the Company acquired assets via its subsidiary Indoil Montney Ltd. of British Columbia from a third party (Vendor) for consideration of $1.12 billion (inclusive of the final statement of adjustments) and a contingent consideration of $100 million (the Acquisition). The assets acquired consisted of producing properties, reserves, facilities, undeveloped land and a 9.999% interest in Pacific Northwest LNG Limited Partnership (the Partnership or PNW LNG LP).

Pacific NorthWest LNG Partnership (PNW)

The Partnership is engaged in a proposed liquefied natural gas liquefaction and export facility on Lelu Island within the District of Port Edward on land administered by the Port of Prince Rupert (the LNG project).The facility would liquefy and export natural gas produced in the northeastern British Columbia. At acquisition, the value attributed to the investment in the Partnership, which is classified as an available for sale financial asset, was $ 17.5 million. On 25 July 2017, Pacific NorthWest LNG announced that the LNG Project will not proceed as previously planned due to the challenging environment brought about by the prolonged depressed prices and shifts in the energy industry. As a result, the Company wrote off the $44 million cumulative capital investment in the LNG project. Additionally, the $90 million contingent consideration liability associated with the final investment decision of the natural gas liquefaction facility was realized against income, as payment of the contingent consideration is no longer expected.

Progress Energy Canada Ltd (“PECL”), as operator of NMJV, entered into a Project Development Agreement (“PDA”) with TransCanada to build the Prince Rupert Gas Transmission (“PRGT”) Pipeline. PRGT was intended to transport gas to LNG Plant proposed to be built by PNW LNG on Lelu Island. Under the terms of the agreement PECL was required to reimburse TransCanada for costs incurred in relation to the PDA if positive FID would not happen, otherwise the costs would be included in tolls charged by TransCanada.

In relation to the LNG Project, PECL issued a Termination Letter dated 31 July 2017 to PRGT with an effective Termination Date of 10 August 2017. As per the PDA, the Corporation’s share of expense reimbursed by PECL is $60 million on account of expenditure incurred by PRGT for initial work related to approvals, technical design, studies for pipeline and interest on funds invested by PRGT related to work on the Pipeline Project. The Corporation received a six-month term loan facility in the amount of $60 million from Sumitomo Mitsui Banking Corporation (“SMBC”) to pay the pipeline capital cost. On March 27, 2018, the Corporation paid off the SMBC term loan including $0.5 million interest expense with a capital contribution from IndOil Global B.V.’s (“Parent Corporation”).

The cancelling of the PNW LNG project resulted in the write-off of the $44 million investment in PNW, reversal of $90 million contingent consideration, and $60 million reimbursement to TCPL related to pipeline development in the financial year 2017/2018.

Pacific NorthWest LNG Limited (PNW Ltd)

PNW Ltd act as General Partner in LNG Project. At acquisition, the value attributed to the investment in the Company, which is classified as an available for sale financial asset, was $ 0.10 Million. Due to closure of LNG Project, the Company wrote off the $0.1 million investment in PNW Ltd. in the financial year 2017/2018.

	31 Mar 2021 CAD	31 Mar 2020 CAD
2 Investment in Falcon Oil & Gas B.V.		
30% Participation in associated company Falcon Oil & Gas B.V.	**255,678,299**	**313,296,183**

30% Participation in associated company Falcon Oil & Gas B.V.

	31 Mar 2021	31 Mar 2020
Balance as at 1 April		
Participation	313,296,183	271,738,102
Book value as at 1 April	**313,296,183**	**271,738,102**
Movements		
Investments	-	-
Profit/(Loss)	9,374,403	21,632,093
Currency translation reserve	(34,527,597)	19,925,988
Dividend received	(32,464,691)	-
	(57,617,885)	**41,558,081**
Balance as at 31 March		
Participation	255,678,299	313,296,183
Book value as at 31 March	**255,678,299**	**313,296,183**

On 6 February 2018, Indoil Global B.V. entered into joint venture agreement with ONGC Nile Ganga B.V. and BPRL International Ventures B.V. to invest (30%) in a joint venture. The Company has a residual interest in Falcon Oil and Gas B.V.'s net assets. Accordingly, the Company has classified its interest in the investments as joint venture, which are equity-accounted.

The following summarises the financial information of the Company's joint ventures based on the financial statements as at 31 March 2021 (previous period 31 March 2020) prepared in accordance with Dutch GAAP.

Summarized financial information joint venture

Summarized balance sheet

	31 Mar 2021	31 Mar 2020
Current assets	267,264,234	365,666,899
Non-current assets	957,107,434	1,061,442,652
Total assets	**1,224,371,668**	**1,427,109,551**
Current liabilities	135,633,038	157,081,979
Non-current liabilities	236,477,633	225,706,959
Total liabilities	**372,110,671**	**382,788,938**
Total Equity	**852,260,997**	**1,044,320,613**

	31 Mar 2021 CAD	31 Mar 2020 CAD
Summarized statement of comprehensive income		
Revenue	609,563,588	1,316,414,874
Other income	1,017,397	3,415,612
Cost of sales	(222,889,050)	(414,486,493)
Expenses	(50,043,280)	(55,568,161)
Income tax expenses	(306,400,647)	(777,768,835)
Profit/loss for the year ended	**31,248,008**	**72,006,997**
Other comprehensive income	(115,091,990)	66,419,959
	(83,843,982)	**138,426,956**
Reconciliation of summarised financial information		
Opening balance net assets attributable to equity holders	1,044,320,611	905,793,676
Profit for the period	31,248,008	72,006,997
Other comprehensive income for the year ended	(115,091,990)	66,419,959
Correction previous year	-	99,979
Dividend	(108,215,636)	-
Total	**852,260,993**	**1,044,320,611**
Investment in Joint Venture - Carrying Value - 30%	255,678,299	313,296,182

3 Trade receivables

Trade receivables	12,364,153	8,239,433
To be invoiced	61,182	49,417,250
	12,425,335	**57,656,683**

4 Other amounts receivable

Cash call receivable	-	-

5 Accruals and prepaid expenses

Interest receivable on term deposit	1,073	-
Prepaid expenses	45,853	68,306
Security deposit - rent	156	-
Advance tax paid	2,492	-
	49,574	**68,306**

6 Cash & Cash equivalents

Current Account	623,012	13,833,695
Term Deposit Account (Short term investment)	27,812,992	19,658
	28,436,004	**13,853,353**

7 Group equity

The shareholders' equity is explained in the notes to the non-consolidated balance sheet.

Long-term liabilities

	Balance as at 31 March 2021	Remaining pay-back time > 1 year	Remaining pay-back time > 5 year	Weighted average Interest percentage
	CAD	CAD	CAD	CAD
Amounts owed to credit institutions	572,262,301	572,262,301	-	1.50%
Other long-term liabilities	28,041,617	28,041,617	28,041,617	-
	600,303,918	600,303,918	28,041,617	

	31 Mar 2021	31 Mar 2020
	CAD	**CAD**
8 Amounts owed to credit institutions		
Term loan facilities	572,262,301	477,202,301
Term loan facilities		
Mizuho Bank Ltd - term loan facility	-	-
Bank of Nova Scotia - term loan facility	572,262,301	477,202,301
	572,262,301	477,202,301
Mizuho Bank Ltd - term loan facility		
Balance as at 1 April		
Principal amount	-	411,669,834
Cumulative repayments	-	2,482,000
Balance as at 1 April	-	414,151,834
Movements		
Repayment	-	(415,579,834)
Amortized debt issue costs	-	1,428,000
Balance movements	-	(414,151,834)
Balance as at 31 March		
Principal amount	-	414,151,834
Cumulative repayments	-	(414,151,834)
Current portion	-	-
Balance as at 31 March	-	-
Weighted average Interest percentage	1.50	2.80

On October 28, 2014, the Indoil Montney Ltd. received a term loan facility (the "Term Loan") in the amount of \$596.7 million from Mizuho Bank Ltd, Sumitomo Mitsui Banking and the Bank of Toyko-Mitsubishi UFJ (Canada). The Term Loan was available and was drawn upon until February 6, 2017 (the "Availability Period"), with each advance drawn maturing and being payable 5 years after the date the advance was drawn (the "Maturity Date"). On December 20, 2019, the Company exercised its repayment option and repaid the term loan outstanding of \$416 million by February 12, 2020 and incurred \$10.6 million in interest on the advances under the Term Loan. No interest expense was incurred in the year ended March 31, 2021.

	31 Mar 2021 CAD	31 Mar 2020 CAD
Sumitomo Mitsui Banking Corporation - term loan facility		
Balance as at 1 April	-	-
<u>Movements</u>		
Increase	-	(45,000,000)
Repayment	-	45,000,000
Balance movements	-	-
Balance as at 31 March		
Principal amount	-	(45,000,000)
Cumulative repayments	-	45,000,000
Balance as at 31 March	-	-

On May 21, 2019, a Term Loan Facility Agreement was made between the Company and Sumitomo Mitsui Banking Corporation (SMBC) for an aggregate amount of \$45 million. On December 30, 2019, the Company paid off the \$45 million term loan balance in full and has incurred \$0.5 million in interest on the advances under the Term Loan. No interest expense was incurred in the year ended March 31, 2021.

	31 Mar 2021 CAD	31 Mar 2020 CAD
Bank of Nova Scotia - term loan facility		
Balance as at 1 April	477,202,301	-
<u>Movements</u>		
Increase	95,060,000	477,202,301
Balance movements	95,060,000	477,202,301
Balance as at 31 March	**572,262,301**	**477,202,301**

On December 16, 2019, the Company received a term loan facility (the "Term Loan") in the amount of $580 million from Bank of Baroda, State Bank of India, New York Branch, Sumitomo Mitsui Banking Corporation, Singapore Branch and BNS Asia Limited as original lenders of the facility and the Bank of Nova Scotia as the agent. The Term Loan is available until February 26, 2021, with each tranche drawn being payable in full 5 years after the date the tranche was drawn. Interest is calculated and paid every quarter. The rate of interest applicable to each Tranche shall be the percentage rate per annum which is the aggregate of a margin of 0.89% and the CDOR rate.

As per the term loan facility, the Company (the borrower) is required to maintain a positive Total Net Worth. Total Net Worth means at any time the aggregate of the amounts paid up or credited as paid up on the issued ordinary share capital of the Borrower and the amounts standing to the credit of the reserves of the Borrower. For the year ended March 31, 2021, the Company was in compliance with the covenant.

The term loan and interest payable are guaranteed by the Ultimate Parent Company up to a maximum of $609 million. A guarantee commission of 0.25% per annum is payable to the Ultimate Parent Company on the term loan balance outstanding every quarter.

For the year ended March 31, 2021, the Company incurred $8.4 million (March 31, 2020 - $2.5 million) in interest on the advances under the Term Loan.

	31 Mar 2021	31 Mar 2020
	CAD	**CAD**
Bank of Nova Scotia - Term loan facility		
Long-term portion of term loan	580,000,000	487,000,000
Unamortized debt issue costs	(7,737,699)	(9,797,699)
Total	572,262,301	477,202,301

9 Other long-term liabilities

Decommisioning liability	28,041,617	27,987,426

Decommisioning liability

The Company's future asset retirement obligation was estimated by management based on the Company's net ownership interest in all oil and natural gas wells and facilities, for the estimated costs to reclaim and abandon these wells and facilities and the estimated timing to do so. Costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities and the discount rate applied in measuring the liability. The liability, the related asset and the expense are impacted by estimates with respect to the costs and timing of decommissioning.

The Company estimates its total undiscounted amount of cash flow required to settle its decommissioning liability is approximately $50.7 million as at March 31, 2021 (March 31, 2020 - $43.7 million), which will be incurred over the remaining life of the assets with the majority of costs to be incurred in future periods. The estimated future cash flows have been discounted using a risk-free rate of approximately 1.97% (March 31, 2020 – 1.32%) and adjusted inflation rate of 1.69% (March 31, 2020 – 0.89%). The adjusted inflation rate was calculated to provide a more accurate measurement of the decommissioning liability.

The following table shows changes in the decommssioning liability:

Balance beginning of the period	27,987,426	35,035,439
Increase in liabilities relating to development activities	450,246	440,963
Increase/-decrease in liab. relating to change in estimates and discount rates	703,147	(6,546,738)
Accretion	448,724	674,572
Settlement of obligations	(1,547,925)	(1,616,810)
Total	**28,041,617**	**27,987,426**

	31 Mar 2021	31 Mar 2020
	CAD	CAD
10 Account payable & Other liabilities		
Accounts payable - non related party	104,885	15,024
Accounts payable - related party	1,371,248	1,188,092
Taxes	-	254,365
Accrued liabilities - non related party	10,490,762	10,463,544
Accrued liabilities - related party	-	49,406,331
Interest accrued but not due on loan	696,120	1,198,976
Total	**12,663,015**	**62,526,332**

Contingent assets and liabilities

Disclosure of off-balance sheet commitments

The Company is committed to certain payments over the next five fiscal years and thereafter as follows:

($million)	2022	2023	2024	2025	2026	Thereafter	Total
Term loan	-	-	-	-	477.20	-	477.20
Interest payable on term loan*	16.30	16.30	16.30	16.30	2.70	-	67.90
Pipeline Commitment	22.60	23.30	23.20	23.10	23.20	127.60	243.00
Other	0.07	0.05	-	-	-	-	0.12
Total	**38.97**	**39.65**	**39.50**	**39.40**	**503.10**	**127.60**	**788.22**

*Given that the interest rate is variable, the interest payable over the next five (5) years has been estimated at 2.85% which is the aggregate of a margin of 0.89% and applicable CDOR rate for the year ended March 31, 2021.

		2020-21 CAD	2019-20 CAD
11	**Net Turnover**		
	Sale of crude oil and natural gas	178,865,807	437,935,818
	Geographic segmentation turnover		
	India	122,119,689	399,456,599
	Canada	56,746,118	38,479,219
12	**Cost of sales**		
	Cost of sales	(121,965,197)	(399,296,637)
13	**Exploration & Production expenses**		
	Operating expenses	(19,996,295)	(18,590,355)
	Transportation expenses	(24,002,573)	(20,153,808)
	Royalties	(320,422)	(519,809)
		(44,319,290)	**(39,263,972)**
14	**Personnel expenses**		
	Wages and salaries	(712,906)	(479,961)
	Employees cost	Active within the Netherlands	Active outside the Netherlands
	Average number of employees 2020-21	-	2
	Average number of employees 2019-20	-	2
15	**Depreciation on fixed assets**		
	Depletion, depreciation, amortization and impairment	(43,456,219)	(437,440,387)
	Depletion, depreciation, amortization and impairment		
	Depreciation costs on plant & equipment	(43,456,219)	(42,440,387)
	Impairment loss on exploration & evaluation	-	(395,000,000)
		(43,456,219)	(437,440,387)
	Loss on dispostion of assets	-	-
		(43,456,219)	(437,440,387)
16	**Accretion of decommissioning liability**		
	Accretion of decommissioning liability	(448,724)	(674,572)
17	**Other operating expenses**		
	Housing expenses	(68,095)	(41,229)
	Office expenses	(9,043)	(10,858)
	General expenses	(1,054,530)	(1,145,592)
		(1,131,668)	**(1,197,679)**
	Housing expenses		
	Rental expenses	(65,719)	(39,570)
	Insurance premium property	(2,376)	(1,659)
		(68,095)	(41,229)

	2020-21 CAD	2019-20 CAD
Office expenses		
Office supplies	(1,998)	(4,846)
Telephone and fax expenses	(7,045)	(6,012)
	(9,043)	(10,858)

	2020-21 CAD	2019-20 CAD
General expenses		
Audit costs, review of the annual accounts	(150,440)	(140,744)
Notarial expenses	(32,846)	(64,437)
Professional and consulting expenditure	(638,300)	(678,142)
Other general expenses	(215,774)	(201,930)
Miscellaneous expenses	(1,614)	(2,641)
Bank expenses	(15,322)	(16,740)
Travel and related business expenses	(234)	(40,958)
	(1,054,530)	(1,145,592)

Specification audit fees

Description audit fee type	Amount external auditor and audit firm CAD	Amount network organization CAD	Total amount CAD
Audit costs, review of the annual accounts	(150,440)	-	(150,440)
Total audit fees	**(150,440)**	-	**(150,440)**

18 Financial income and expense

	2020-21 CAD	2019-20 CAD
Interest income	16,815	632,424
Currency exchange result	(1,841,465)	911,191
Interest and similar expenses	(11,822,490)	(16,749,069)
	(13,647,140)	**(15,205,454)**

Interest and similar expenses

	2020-21 CAD	2019-20 CAD
Interest expense	(8,448,257)	(13,659,614)
Financing cost	(3,374,233)	(3,089,455)
	(11,822,490)	(16,749,069)

Included in finance cost is amortization of debt issuance cost of $2 million (March 31, 2020 - $1.9 million) and guarantee commission of $1.3 million (March 31, 2020 - $1.1 million).

19 Share in result of participations

	2020-21 CAD	2019-20 CAD
Other comprehensive income	(34,527,597)	19,925,988
Share in result of joint venture	9,374,403	21,632,093
	(25,153,194)	**41,558,081**

Company-Only Balance Sheet as at 31 March 2021
(Before proposed appropriation of result)

	Notes		31 Mar 2021 CAD		31 Mar 2020 CAD
ASSETS					
Fixed assets					
Financial fixed assets	**20**				
Investment in IndOil Montney Ltd.		432,469,401		477,438,480	
Investment in Falcon Oil & Gas B.V.		255,678,299		313,296,183	
			688,147,700		790,734,663
Current assets					
Deferred Tax Asset			251,103		-
Receivables					
Trade receivables	**21**	61,183		49,417,250	
Accruals and prepaid expenses	**22**	4,741		11,179	
			65,924		49,428,429
Cash & cash equivalents	**23**		1,752,781		13,213,830
Total Assets			**690,217,508**		**853,376,922**

	Notes	31 Mar 2021 CAD		31 Mar 2020 CAD	
Liabilities					
Shareholders' equity	**24**				
Issued share capital		1,131,302,435		1,131,302,435	
Share premium		324,035,459		324,035,459	
Currency translation reserve		(4,377,211)		30,150,385	
Other legal reserves		23,631,958		46,722,245	
Other reserves		(712,711,777)		(314,263,794)	
Undistributed result		(71,717,429)		(414,315,866)	
			690,163,436		803,630,864
Current liabilities					
Account payable & Other liabilities					
Accounts payable		9,666		15,024	
Company tax		-		254,365	
Purchases to be invoiced		-		49,406,331	
Accruals and deferred income	**25**	44,406		70,339	
			54,072		49,746,059
			690,217,508		**853,376,923**

Company-Only Profit and Loss account for the period 01-04-2020 until 31-03-2021

	Notes		2020-21 CAD		2019-20 CAD
Net turnover	**26**	122,119,689		399,456,599	
Cost of sales	**27**	(121,965,197)		(399,296,637)	
Gross margin			**154,492**		**159,962**
Other operating expenses	**28**		(172,848)		(164,135)
Operating result			**(18,356)**		**(4,173)**
Financial income and expense	**29**		(1,827,903)		1,091,353
Result of ordinary activities before taxation			**(1,846,259)**		**1,087,180**
Taxation	**30**		251,103		(251,103)
			(1,595,156)		836,077
Share in result of participations	**31**		(70,122,273)		(415,151,943)
Net consolidated results after taxation			**(71,717,429)**		**(414,315,866)**

Entity information

Registered address and registration number trade register

The registered and actual address of Indoil Global B.V. is Olympic Stadium 24, 1076DE Amsterdam The Netherlands. Indoil Global B.V. is registered at the trade register under number 60092939.

General notes

The most important activities of the entity

The activities of Indoil Global B.V. and its group companies consist mainly of oil and gas extraction services, extraction and distribution of water, sale and purchase of oil and act as a holding company.

General accounting principles

The accounting standards used to prepare the financial statements

The consolidated financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Board for Annual Reporting').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Accounting principles

Financial assets

Up till the financial year 2018/2019 Indoil Global B.V. made use of article 408, book 2 of the Dutch Civil Code and did not prepare consolidated accounts and its investments in participations were stated at acquisition cost.

From the financial year 2019/2020 Indoil Global B.V. prepared consolidated accounts and the valuation of the investments in the stand alone financials changed to net asset value.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized.

Impairment of financial assets

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. Impairments, if any, are recognised in the Profit and Loss account. If it is established that a previously recognised impairment no longer applies or has decreased, the impairment will be reversed, whereby the carrying amount of the related asset will not be set higher than the carrying amount that would have been resulted had no asset impairment been recognised.

Prepayments and accrued income

On initial recognition accrued income are recognised at fair value. After initial recognition accrued income are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result
The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

General and administrative expenses
General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Other operating expenses
Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Operating expenses
Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses
Interest income and expenses consist of interest received from or paid to third parties.

Income tax expense
Corporation tax is calculated at the applicable tax rates based on the results before taxation shown in the Profit and Loss account and taking into account tax allowances and tax adjustments. Deferred tax assets arising from tax loss carry forwards are only recognised if recovery is reasonably certain.

Share in results of participating interests
The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Indoil Global B.V.

Up till the financial year 2018/2019, the result was the amount of dividends received from the participation and/or the impairment that has taken place.

		31 Mar 2021 CAD	31 Mar 2020 CAD
	Fixed assets		
20	**Financial fixed assets**		
(i)	**100% Participation in group company IndOil Montney Ltd., Canada**		
	Book value as at 1 April	477,438,480	1,206,931,001
	Investments	-	-
	Profit/(Loss)	(44,969,079)	(456,710,024)
	Result upto 31.03.2019, to be adjusted in equity	-	(272,782,497)
	Book value as at 31 March	**432,469,401**	**477,438,480**
(ii)	**30% Participation in associated company Falcon Oil & Gas B.V.**		
	Book value as at 1 April	313,296,183	247,849,593
	Investments	-	-
	Profit/(Loss)	9,374,403	21,632,093
	Currency translation reserve	(34,527,597)	19,925,988
	Dividend received	(32,464,691)	-
	Result upto 31.03.2019, to be adjusted in equity	-	23,888,509
	Book value as at 31 March	**255,678,299**	**313,296,183**
21	**Trade receivables**		
	To be invoiced	61,183	49,417,250
22	**Accruals and prepaid expenses**		
	Interest receivable on term deposit	1,073	-
	Prepaid expenses	1,020	11,179
	Security deposit - rent	156	-
	Advance tax paid	2,492	-
		4,741	**11,179**
23	**Cash & Cash equivalents**		
	Current account	365,327	13,213,830
	Term deposit account (short term investment)	1,387,454	-
		1,752,781	**13,213,830**

24 Shareholders' equity

Movements in equity were as follows:

	Issued share capital	Share premium	Currency Translation Reserve	Other Legal Reserves	Other reserve	Undistributed Results	Total
	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Balance as at 01.04.2020	1,131,302,435	324,035,459	30,150,385	46,722,245	(314,263,794)	(414,315,866)	803,630,864
Dividend	-	-	-	-	(41,750,000)	-	(41,750,000)
Adjustment	-		-	-	-	-	-
Share issue	-	-	-	-	-	-	-
Allocation of past year's result	-	-	(34,527,596)	-	(379,788,270)	414,315,866	-
Result for the year	-	-	-	(23,090,287)	23,090,287	(71,717,429)	(71,717,429)
Balance as at 31.03.2021	**1,131,302,435**	**324,035,459**	**(4,377,211)**	**23,631,958**	**(712,711,777)**	**(71,717,429)**	**690,163,435**

Issued share capital

The issued and paid-up share capital amounts to CAD 1.131.302.435 and consists of 1.131.302.435 shares with a nominal value of CAD 1 each as on balance sheet date (31 March 2020: 1.131.302.435 shares)

Upto year 2018-19, the Company was using cost method of accounting for investments, however from the year 2019-20 it has changed its method from cost to net assets value. Due to this change, the accumulated results of the subsidiary as well as the joint venture as on 31.03.2019 were charged to profit and loss account, instead of adjusting the same with company's reserves. Therefore, in the current year, the management has re-classified the said amount in the above equity schedule by charging the results of subsidiary and JV company in other reserve as on 01.04.2019.

	31 Mar 2021	31 Mar 2020
	CAD	**CAD**
25 Accruals and deferred income		
Tax advisory fees	8,263	6,614
Audit fees	35,772	38,738
Professional fees	-	24,987
Other payable	371	-
	44,406	**70,339**

	2020-21 CAD	2019-20 CAD
26 Net Turnover		
Sale of oil	122,119,689	399,456,599
Geographic segmentation turnover		
India	122,119,689	399,456,599
27 Cost of sales		
Cost of sales	(121,965,197)	(399,296,637)
28 Other operating expenses		
General expenses	(172,848)	(164,135)
General expenses		
Audit costs, review of the annual accounts	(37,340)	(36,849)
Bank charges	(5,446)	(4,920)
Management fees	(11,495)	-
Miscellaneous expenses	-	(439)
Notarial expenses	-	(12,315)
Professional and consulting expenditure	(118,567)	(109,612)
	(172,848)	**(164,135)**

Specification audit fees

Description audit fee type	Amount external auditor and audit firm CAD	Amount network organization CAD	Total amount CAD
Audit costs, review of the annual accounts	(37,340)	-	**(37,340)**
Total audit fees	**(37,340)**	-	**(37,340)**

	2020-21 CAD	2019-20 CAD
29 Financial income and expense		
Interest income	16,815	274,621
Currency exchange result	(1,844,718)	831,508
Interest and similar expenses	-	(14,776)
	(1,827,903)	**1,091,353**
Interest income		
Interest from bank and term deposit	16,815	274,621

	2020-21 CAD	2019-20 CAD
Interest and similar expenses		
Interest expense	-	(14,776)

30 Taxation

Income tax expense from current financial year	-	(251,103)
Provision for Deferred Tax	251,103	-
	251,103	**(251,103)**

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. The Management of the Company estimates that the amount of tax paid for the year 2019-20 of CAD 251,103 will be recovered or adjusted in the next year, hence deferred tax asset has been recognised in the books of company.

	%	%
Effective tax rate	23.04	23.10
Applicable tax rate	23.04	23.10

31 Share in result of participations

Result from IndOil Montney Ltd., Canada	(44,969,079)	(456,710,024)
Share in result of joint venture	9,374,403	21,632,093
Other comprehensive income	(34,527,597)	19,925,988
	(70,122,273)	**(415,151,943)**

32 Employees cost	Active within the Netherlands	Active outside the Netherlands
Average number of employees 2020-21	-	-
Average number of employees 2019-20	-	-

Signed on_____________2021

G.K. Dhivya

Director A
Dhivya Gopal Kanakaraj

G.H.V.S.N.

Director A
Hema Venkata Siva Nagasurendra Garjala

Director B
Sandeep Kumar Gupta

Director B
Om Prakash

Reference to the auditor's opinion

The auditor’s opinion is set out in the following pages.

Provisions of the Articles of Association relating to profit appropriation

According to Article 21 of the Articles of Association of the Company the appropriation of the result of the Company is at the disposal of the general meeting.

Income Taxes

The following table reconciles the income tax expense/(recovery) computed by applying the Dutch/Canadian statutory rate to the consolidated result of ordinary activities before taxes with the income tax expense/(recovery) actually recorded:

	As at 31 March 2021 CAD	As at 31 March 2020 CAD
Net income/(loss) before taxes subsidiary	(44,969,079)	(456,710,024)
Net income/(loss) before taxes company	(1,846,259)	1,087,180
Total net income before taxation	**(46,815,338)**	**(455,622,844)**
Income tax(charge) subsidiary	11,462,618	121,028,156
Income tax benefit company	251,103	(251,103)
Income tax(charge)	11,713,721	120,777,053
Full valuation allowance against income tax benefit	-	-
Income (loss) before income tax expense	**(11,713,721)**	**(120,777,053)**
Effect on taxes resulting from:		
Non-deductible expenses		-
Impact of income tax rate change	260,426	12,183,993
Unrecognized tax benefit	12,461,011	111,952,686
Provision to return adjustment	(1,258,819)	(3,108,523)
Other	-	-
Total Tax Expense (Recovery)	**(251,103)**	**251,103**

The Canadian statutory tax rate of 25.49% (31 March 2020 = 26.50%) used in the reconciliation above represents the combined federal and provincial corporate tax rate.

The statutory tax rate declined due to the reduction of the Alberta corporate income tax rate on January 1, 2020 from 11% to 10% and on July 1, 2020 from 10% to 8%.

The components of the net deferred income tax asset/(liability) at 31 March 2021 and 31 March 2020 were as follows:

Deferred tax assets :		
Non-capital losses	-	-
Debt financing fees	-	-
Decommissioning liability	-	-
Short term recovery of tax paid in previous year	251,103	-
	251,103	-
Deferred tax liabilities :		
Property, Plant and Equipment	-	-
Investments in partnerships	-	-
Debt issue costs and others	-	-
	-	-
Net deferred income tax asset/(liability)		
Unrecognized Deferred tax asset	**251,103**	
Net Deferred tax assets/(liabilities)		

Income Taxes (cont'd)

The components of the net deferred income tax asset/(liability) at 31 March 2020 and 31 March 2019 were as follows:

	As at 31 March 2020 CAD	As at 31 March 2019 CAD
Deferred tax assets :		
Non-capital losses	-	12,267,445
Contingent liability	-	-
Decommissioning liability	-	9,459,569
		21,727,014
Deferred tax liabilities :		
Property, Plant and Equipment	-	(21,348,780)
Debt issue costs and others	-	(378,234)
	-	**(21,727,014)**
Net deferred income tax asset/(liability)		

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related benefit through future taxable profits is probable.

During the year the following temporary differences were not recognized as there was insufficient future taxable profits to support their recognition.

	As at 31 March 2021 CAD	As at 31 March 2020 CAD
Property, plant and equipment	258,833,723	227,790,802
Debt financing fee	511,346	520,390
Decommissioning liability	28,041,618	27,987,426
Non-capital losses	461,881,827	457,601,227
Capital losses	28,815,665	22,541,459
	778,084,179	**736,441,304**

The Company has estimated tax pools totaling:	Rate of claim	As at 31 March 2021 CAD	As at 31 March 2020 CAD
Canadian development expense	30%	220,906,470	192,084,846
Canadian oil and gas property expense	10%	722,886,946	722,740,925
Canadian exploration expense	100%	3,255,562	3,255,562
Non-capital losses	100%	461,881,827	457,601,227
Net capital losses	100%	14,407,833	11,270,730
Undepreciated capital cost	Various	318,074,799	285,113,386
Undepreciated capital cost (not available for use)	N/A	-	-
		1,741,413,437	**1,672,066,676**

Non-capital losses of $461,881,827 will begin to expire in 2034. There are net capital losses of $14,407,730

24 Shareholders' equity

Movements in equity were as follows:

	Issued share capital	Share premium	Currency Translation Reserve	Other Legal Reserves	Other Reserves	Undistributed Result	Total
	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Balance as at 01.04.2019	1,131,302,435	324,035,459	10,224,397	25,090,152	(238,154,772)	(34,550,941)	1,217,946,730
Dividend	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-
Allocation of past year's result	-	-	19,925,988	-	(54,476,929)	34,550,941	-
Result for the year			-	21,632,093	(21,632,093)	(414,315,866)	(414,315,866)
Balance as at 31.03.2020	1,131,302,435	324,035,459	30,150,385	46,722,245	(314,263,794)	(414,315,866)	803,630,864

	Issued share capital	Share premium	Currency Translation Reserve	Other Legal Reserves	Other Reserves	Undistributed Result	Total
	CAD	CAD	CAD	CAD	CAD	CAD	CAD
Balance as at 01.04.2020	1,131,302,435	324,035,459	30,150,385	46,722,245	(314,263,794)	(414,315,866)	803,630,864
Dividend	-	-	-	-	(41,750,000)	-	(41,750,000)
Adjustment	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-
Allocation of past year's result	-	-	(34,527,597)	-	(379,788,269)	414,315,866	-
Result for the period	-	-	-	(23,090,287)	23,090,287	(71,717,428)	(71,717,428)
Balance as at 31.03.2021	1,131,302,435	324,035,459	(4,377,211)	23,631,958	(712,711,776)	(71,717,428)	690,163,436

The issued and paid-up share capital amounts to CAD 1.131.302.435 and consists of 1.131.302.435 shares with a nominal value of CAD 1 each as on balance sheet date (31 March 2020: 1.131.302.435 shares)

During the year, we have reclassified the amount in to other legal reserves out of the amount in other reserves for the current year as well as the previous year 2019-20 the amount of profit from Falcon Oil & Gas B.V., as this amount was earlier presented in free reserves of the company. 30% share in net equity of Falcon Oil & Gas B.V. as on 31.03.2021 stood at USD 202,891,387 (CAD 255,678,299) against purchase price of USD 192,930,330 (CAD 247,847,593).

Upto year 2018-19, the Company was using cost method of accounting for investments, however from the year 2019-20 it has changed its method from cost to net assets value. Due to this change, the accumulated results of the subsidiary as well as the joint venture as on 31.03.2019 were charged to profit and loss account, instead of adjusting the same with company's reserves. Therefore, in the current year, the management has re-classified the said amount in the above equity schedule by charging the results of subsidiary and JV company in other reserve as on 01.04.2019.