BPRL International Singapore Pte. Ltd.
Registration Number: 201612883G

Annual Report

Year ended 31 December 2020

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Directors' statement

We are pleased to submit this annual report to the member of BPRL International Singapore Pte. Ltd. ("the Company") together with the audited financial statements for the year ended 31 December 2020.

In our opinion:

(a) the financial statements set out on pages FS1 to FS36 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Mr. Jitender Pershad Waghray
Mr. Tan Tow Siang (Chen Daoxiang)

Directors' interests

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

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Waghray Jitender Pershad		
Bharat Petroleum Corporation Limited		
- ordinary shares		
- interest held	10	10

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

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

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares of the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

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

Auditors

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

Signed by the Board of Directors

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J P Waghray
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Jitender Pershad Waghray
Director

DocuSigned by:
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Tan Tow Siang (Chen Daoxiang)
Director

15 May 2021

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Independent auditors' report

Member of the Company
BPRL International Singapore Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BPRL International Singapore Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS36.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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Valuation of investments in joint ventures (Refer to Note 4 of the Financial Statements)	
The key audit matter	*How the matter was addressed in our audit*
As at 31 December 2020, the carrying amount of the Company's interests in joint ventures amounted to $1,076,860,501 (2019: $1,248,850,754), approximating 93% (2019: 96%) of the Company's total assets. Investments in joint ventures are carried at cost and adjusted for the Company's share of the profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Company. The Company is required to assess whether there is any indicator that the investments in joint ventures may be impaired. When such indicator exists, the Company's carrying amount of investments in joint ventures needs to be assessed for impairment. The management has assessed that there is no indicator that the investments in joint ventures is impaired based on the profits generated by the joint ventures.	We have assessed the appropriateness of management's accounting of the Company's share of profit and other comprehensive income in joint ventures. We have also reviewed the working papers of component auditors and held discussion with them to ensure that the work performed and evidence obtained by the component auditors were sufficient for our purpose and that we concur with the basis of conclusion reached by the component auditors. We reviewed management's process for identifying the existence of impairment indicators in respect of the investments in joint ventures. *Findings* The Company's share of profit and other comprehensive income in joint ventures have been appropriately accounted for in its Statement of profit or loss and other comprehensive income using the equity method. We found management's process for identifying the existence of impairment indicators in respect of the Company's interests in joint ventures to be consistent with the relevant accounting standards. We agree with the conclusion determined by management that there were no impairment indicators identified in respect of the Company's interests in joint ventures.

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 May 2021

Statement of financial position
As at 31 December 2020

	Note	2020 US$	2019 US$
Non-current assets			
Investments in joint ventures	4	1,076,860,501	1,248,850,754
Property, plant and equipment	5	91,353	–
Other assets	7	1,057,533	1,522,751
		1,078,009,387	1,250,373,505
Current assets			
Cash and balances with banks	8	77,256,491	40,407,079
Loan receivable from joint venture	9	–	13,205,751
Other assets	7	516,254	534,152
		77,772,745	54,146,982
Total assets		1,155,782,132	1,304,520,487
Equity			
Share capital	10	336,585,630	336,585,630
Retained earnings		187,100,654	157,903,669
Currency translation reserve		(131,767,777)	36,883,764
Total equity		391,918,507	531,373,063
Non-current liability			
Borrowings	11	750,000,000	750,000,000
Lease liabilities	12	11,965	–
		750,011,965	750,000,000
Current liabilities			
Trade and other payables	13	139,883	9,245,957
Borrowings	11	13,640,230	13,894,616
Lease liabilities	12	46,568	–
Income tax payable		24,979	6,851
		13,851,660	23,147,424
Total liabilities		763,863,625	773,147,424
Total equity and liabilities		1,155,782,132	1,304,520,487

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

Statement of profit or loss and other comprehensive income
Year ended 31 December 2020

	Note	2020 US$	2019 US$
Share of profit of joint ventures		64,002,625	104,006,390
Interest income from banks and related parties		294,753	1,466,125
Other income	14	74,986	–
Foreign exchange (loss)/gain - net		(799)	359
Other operating expenses		(423,643)	(176,207)
Finance costs	15	(34,722,741)	(36,985,404)
Profit before tax		29,225,181	68,311,263
Tax expense	16	(28,196)	(6,851)
Profit for the year		29,196,985	68,304,412
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Share of foreign currency translation reserves of equity-accounted investees		(168,651,541)	110,895,945
Other comprehensive income, net of tax		(168,651,541)	110,895,945
Total comprehensive income for the year		(139,454,556)	179,200,357

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

Statement of changes in equity
Year ended 31 December 2020

	Share capital US$	Retained earnings US$	Currency translation reserve US$	Total equity US$
At 1 January 2019	299,585,630	89,599,257	(74,012,181)	315,172,706
Total comprehensive income for the year				
Profit for the year	–	68,304,412	–	68,304,412
Other comprehensive income				
Share of foreign currency translation reserves of equity-accounted investees	–	–	110,895,945	110,895,945
Total other comprehensive income	–	–	110,895,945	110,895,945
Total comprehensive income for the year	–	68,304,412	110,895,945	179,200,357
Transactions with owner, recognised directly in equity				
Contributions by and distribution to owner				
Issuance of shares	37,000,000	–	–	37,000,000
Total contributions by owner of the Company	37,000,000	–	–	37,000,000
At 31 December 2019	336,585,630	157,903,669	36,883,764	531,373,063

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

Statement of changes in equity (cont'd)
Year ended 31 December 2020

	Share capital US$	Retained earnings US$	Currency translation reserve US$	Total equity US$
At 1 January 2020	336,585,630	157,903,669	36,883,764	531,373,063
Total comprehensive income for the year				
Profit for the year	–	29,196,985	–	29,196,985
Other comprehensive income				
Share of foreign currency translation reserves of equity-accounted investees	–	–	(168,651,541)	(168,651,541)
Total other comprehensive income	–	–	(168,651,541)	(168,651,541)
Total comprehensive income for the year	–	29,196,985	(168,651,541)	(139,454,556)
At 31 December 2020	336,585,630	187,100,654	(131,767,777)	391,918,507

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

Statement of cash flows
Year ended 31 December 2020

	2020 US$	2019 US$
Cash flows from operating activities		
Profit for the year	29,196,985	68,304,412
Adjustments for:		
- Share of profit of joint ventures	(64,002,625)	(104,006,390)
- Interest expense	34,248,790	36,520,638
- Interest expense on lease liabilities	2,740	–
- Amortisation of loan facility fees	466,040	464,766
- Interest income	(294,753)	(1,466,125)
- Income tax expense	28,196	6,851
- Depreciation expense	51,336	–
	(303,291)	(175,848)
Changes in:		
- Other assets	(15,553)	(10,826)
- Other payables	3,804	40,744
Cash used in operations	(315,040)	(145,930)
Income tax paid	(10,068)	(4,623)
Net cash used in operating activities	(325,108)	(150,553)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(50,877)	–
Investment in joint ventures	(18,400,000)	(6,100,100)
Dividends received from joint ventures	76,631,459	8,250,000
Repayment of loan to joint venture	13,205,751	15,597,120
Interest received	327,382	166,946
Net cash from investing activities	71,713,715	17,913,966
Cash flows from financing activities		
Proceeds from shares issuance	–	37,000,000
Payment of lease liabilities	(33,279)	–
Payment of interest expense on lease liabilities	(2,740)	–
Placement of long-term deposits	(50,000,000)	(8,500,000)
Proceeds from maturity of long-term deposits	8,500,000	–
Interest paid	(34,503,176)	(36,727,976)
Net cash used in financing activities	(76,039,195)	(8,227,976)
Net (decrease)/increase in cash and cash equivalents	(4,650,588)	9,535,437
Cash and cash equivalents at 1 January	31,907,079	22,371,642
Cash and cash equivalents at 31 December	27,256,491	31,907,079

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors of the Company on 15 May 2021.

1 Incorporation and principal activities

BPRL International Singapore Pte. Ltd. (the "Company") is incorporated in the Republic of Singapore and has its registered office at 8 Cross Street, #24-03/04, Manulife Tower, Singapore 048424.

The Company's principal activity is holding of investments. The Company's immediate holding company is Bharat PetroResources Limited, which is incorporated in India. The ultimate holding company is Bharat Petroleum Corporation Limited, which is also incorporated in India.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

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

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

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

2.5 Changes in accounting policies SFRS(I)

New standards and amendments

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

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

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

3 Significant accounting policies

3.1 Investment in joint ventures (equity-accounted investees)

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

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

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

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

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

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

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

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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

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

Foreign operations

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

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

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

3.3 Leases

At inception of a contract, the Company 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 Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company 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 Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company 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.

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.

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 lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms 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 Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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 Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company 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.

3.4 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification of subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

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

Financial assets at amortised cost

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

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

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

(iii) Derecognition

Financial assets

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

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and cash equivalents

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

3.5 Impairment

(i) Non-derivative financial assets

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

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

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

Simplified approach

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

General approach

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

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

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

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

(ii) Joint venture

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

(iii) Non-financial assets

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

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

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

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (Company of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (Company 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.

3.6 Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

(ii) Subsequent costs

The cost of replacing a component of an item of 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 Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

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

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

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

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

- Furniture & fixtures: 3 years
- Office equipment: 3 years

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

Share capital

Ordinary shares

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

3.7 Finance income and finance costs

The Company's finance income and finance costs include:

- Interest income; and
- Interest expense.

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

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

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

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

3.8 Tax

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

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

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

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

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

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

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

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

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

3.9 New standards and interpretations not yet adopted

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

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

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

4 Investments in joint ventures

	2020 US$	2019 US$
At beginning of year	1,248,850,754	1,026,988,441
Share of profit of existing joint ventures	64,002,625	119,216,368
Share of other comprehensive income/(loss) of existing joint ventures	(168,651,541)	110,895,945
Additional investment in existing joint venture	18,400,000	–
Dividends received from existing joint ventures	(76,631,459)	(8,250,000)
	1,085,970,379	1,248,850,754
Investment in a new joint venture	–	6,100,100
Share of loss of new joint venture	–	(15,209,978)
Reclassification of assumed liability towards new joint venture	(9,109,878)	9,109,878
At end of year	1,076,860,501	1,248,850,754

The Company has three (2019: three) joint ventures that are material to the Company. These joint ventures are structured as separate vehicles and 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 venture, which are equity-accounted.

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

As at reporting date, a commitment of US$Nil (2019: US$9,109,878) has been recognised in trade and other payables in note 13, in relation to the Company's share of loss exceeding its interest in Urja Bharat Pte. Limited, as the Company has an obligation to fund the investee's operations.

Details of the joint ventures are as follows:

Name of joint venture	Principal activity	Country of incorporation/ Principal place of business	Percentage of equity interest 2020 %	2019 %
Directly held				
Taas India Pte. Ltd.* (“Taas India”)	Investment Holding	Singapore	33.0	33.0
Vankor India Pte. Ltd.* (“Vankor India”)	Investment Holding	Singapore	33.0	33.0
Urja Bharat Pte. Limited.* (“Urja Bharat”)	Oil and gas exploration and extraction	Singapore	50.0	50.0

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

Details of the investee companies are as follows:

Name of investee company	Principal activity	Country of incorporation/ Principal place of business	Percentage of effective equity interest 2020 %	2019 %
Indirectly held				
Held by Taas India: TYNGD LLC #	Oil production and exploration	Russian Federation	9.9	9.9
Held by Vankor India: JSC Vankorneft #	Oil production and exploration	Russian Federation	7.9	7.9

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

The following summarises the financial information of the Company’s joint ventures based on the financial statements as at and for year ended 31 December 2020 prepared in accordance with SFRS(I) and modified for differences for alignment to the Company’s accounting policies.

Summarised financial information of joint ventures

Summarised balance sheet

	Taas India 2020 US$	Vankor India 2020 US$	Urja Bharat 2020 US$	Total 2020 US$
Current assets	401,862,705	669,929,650	2,118,772	1,073,911,127
Includes:				
- Cash and short-term deposits	401,649,317	668,464,793	1,377,665	1,071,491,775
- Other assets	213,388	1,464,857	741,107	2,419,352
Non-current assets	970,668,452	1,210,654,295	25,710,283	2,207,033,030
Current liabilities	5,312,793	6,189,836	13,572,286	25,074,915
Non-current liabilities	–	–	–	–

	Taas India 31 December 2019 US$	Vankor India 31 December 2019 US$	Urja Bharat For the financial period from 12 February 2019 (date of incorporation) to 31 December 2019 US$	Total 31 December 2019 US$
Current assets	278,581,909	657,281,921	829,782	936,693,612
Includes:				
- Cash and short-term deposits	277,479,484	653,226,975	811,727	931,518,186
- Other assets	1,102,425	4,054,946	18,055	5,175,426
Non-current assets	1,270,574,872	1,626,843,769	11,651,287	2,909,069,928
Current liabilities	43,700,600	5,119,261	30,700,824	79,520,685
Non-current liabilities	–	66,389	–	66,389

Summarised statement of comprehensive income

	Taas India 2020 US$	**Vankor India 2020 US$**	**Urja Bharat 2020 US$**	**Total 2020 US$**
Share of profit of joint venture/ associate	150,724,485	63,303,947	–	214,028,432
Interest income from banks and related parties	6,248,011	10,787,918	–	17,035,929
Other income	10,094	60,007	–	70,101
Other loss	(3,508,090)	(3,345,589)	66	(6,853,613)
Expenses	(2,117,755)	(1,711,813)	(4,323,542)	(8,153,110)
Profit/(Loss) before tax	151,356,745	69,094,470	(4,323,476)	216,127,739
Tax expense	(8,272,842)	(11,680,303)	–	(19,953,145)
Profit/(Loss) for the year	143,083,903	57,414,167	(4,323,476)	196,174,594
Other comprehensive loss	(229,105,179)	(281,960,098)	–	(511,065,277)
Total comprehensive loss	(86,021,276)	(224,545,931)	(4,323,476)	(314,890,683)

	Taas India 31 December 2019 US$	Vankor India 31 December 2019 US$	Urja Bharat For the financial period from 12 February 2019 (date of incorporation) to 31 December 2019 US$	Total 31 December 2019 US$
Share of profit of joint venture/ associate	213,949,438	186,105,916	–	400,055,354
Interest income from banks and related parties	4,535,062	12,241,932	–	16,776,994
Other income	–	49,641	–	49,641
Other loss	(2,396,888)	(7,366,376)	(147)	(9,763,411)
Expenses	(6,655,016)	(3,736,261)	(30,419,808)	(40,811,085)
Profit/(Loss) before tax	209,432,596	187,294,852	(30,419,955)	366,307,493
Tax expense	(13,859,667)	(21,606,061)	–	(35,465,728)
Profit/(Loss) for the year	195,572,929	165,688,791	(30,419,955)	330,841,765
Other comprehensive income	136,672,293	199,376,024	–	336,048,317
Total comprehensive income/(loss)	332,245,222	365,064,815	(30,419,955)	666,890,082

Reconciliation of summarised financial information

	Taas India 2020 US$	**Vankor India 2020 US$**	**Urja Bharat 2020 US$**	**Total 2020 US$**
Net assets attributable to equity holders				
At beginning of year	1,505,456,181	2,278,940,040	(18,219,755)	3,766,176,466
Profit/(Loss) for the year	143,083,902	57,414,167	(4,323,476)	196,174,593
Contributions from shareholders	–	–	36,800,000	36,800,000
Other comprehensive income/(loss) for the year	(229,105,179)	(281,960,098)	–	(511,065,277)
Dividends paid	(52,216,541)	(180,000,000)	–	(232,216,541)
At end of year	1,367,218,363	1,874,394,109	14,256,769	3,255,869,241
At end of year – Carrying value				
Interest in joint venture (33.0%; 33.0%; 50%)				
Carrying value	451,182,060	618,550,056	7,128,385	1,076,860,501

	Taas India 31 December 2019 US$	**Vankor India 31 December 2019 US$**	**Urja Bharat For the financial period from 12 February 2019 (date of incorporation) to 31 December 2019 US$**	**Total 31 December 2019 US$**
Net assets attributable to equity holders				
At beginning of year	1,173,210,959	1,938,875,225	–	3,112,086,184
Profit/(Loss) for the year	195,572,929	165,688,791	(30,419,955)	330,841,765
Contributions from shareholder	–	–	12,200,000	12,200,000
Other comprehensive income/(loss) for the year	136,672,293	199,376,024	–	336,048,317
Dividends paid	–	(25,000,000)	–	(25,000,000)
At end of year	1,505,456,181	2,278,940,040	(18,219,955)	3,766,176,266
At end of year – Carrying value				
Interest in joint venture (33.0%; 33.0%; 50%)				
Carrying value	496,800,540	752,050,214	–*	1,248,850,754

* *The cost of investment in Urja Bharat Pte. Limited. had been reduced and recorded at zero due to the losses made*

5 Property, plant and equipment

	Leasehold property US$	Furniture & fixtures US$	Office equipment US$	Total US$
2020				
Cost				
At 1 January 2020	–	–	–	–
Additions	91,812	48,755	2,122	142,689
At 31 December 2020	91,812	48,755	2,122	142,689
Accumulated depreciation				
At 1 January 2020	–	–	–	–
Depreciation charge	36,725	14,260	351	51,336
At 31 December 2020	36,725	14,260	351	51,336
Net book value				
At 1 January 2020	–	–	–	–
At 31 December 2020	55,087	34,495	1,771	91,353

6 Leases

Nature of the Company's leasing activities

Leasehold property

The Company leases office space for the purpose of back office operations.

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	2020 US$
Leasehold property	55,087

(b) Depreciation charge during the year

	2020 US$
Leasehold property	36,725

(c) Interest expense

	2020 US$
Interest expense on lease liabilities	2,740

(d) Total cash outflow for the lease in 2020 was US$ 36,019.

7 Other assets

	2020 US$	2019 US$
Non-current		
Other receivables	1,057,533	1,522,751
Current		
Amount due from joint ventures - trade	5,280	–
Other receivables	498,932	527,546
Deposit	12,042	6,606
	516,254	534,152

8 Cash and balances with banks

	2020 US$	2019 US$
Cash at banks	3,256,491	2,407,079
Fixed deposit	74,000,000	38,000,000
Total cash and deposits in the statement of financial position	77,256,491	40,407,079
Less: Fixed deposits not held for the purpose of meeting short-term cash commitments	(50,000,000)	(8,500,000)
Total cash and cash equivalents in the statement of cash flows	27,256,491	31,907,079

Fixed deposits are placed for varying periods of one months to five months and earn interest at the respective deposit rates ranging from 0.25% to 0.43% (2019: 1.40% to 1.97%) per annum.

9 Loan receivable from joint venture

	2020 US$	2019 US$
Current		
Loan receivable from joint venture	–	13,205,751

10 Share capital

	2020 Ordinary shares No. of shares	2019 Ordinary shares No. of shares
At beginning of year	336,585,630	299,585,630
Issued during the year	–	37,000,000
At end of year	336,585,630	336,585,630

Currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the Company's share of translation reserves from equity accounted joint ventures.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital base to support its business and maximise shareholders' value. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

11 Borrowings

	2020 US$	2019 US$
Non-current		
Bank borrowings	150,000,000	150,000,000
Bonds	600,000,000	600,000,000
	750,000,000	750,000,000
Current		
Accrued interest on bank borrowings	235,506	572,612
Accrued interest on bonds	12,082,192	12,010,274
Guarantee fees payable to ultimate holding company	1,322,532	1,311,730
	13,640,230	13,894,616

All borrowings are unsecured.

On 18 January 2017, the Company issued bonds through a private placement on the Singapore Exchange with a maturity period of 10 years and a fixed coupon rate of 4.375%, payable on half yearly basis.

The bank borrowings taken by the Company will mature on 2 October 2022 and bear interest at a margin of 0.90% plus 3-month LIBOR.

Both the bonds and bank borrowings are guaranteed by the Company's ultimate holding company, Bharat Petroleum Corporation Limited (BPCL).

12 Lease liabilities

Lease liabilities has been recognised for the remaining lease payments for the rental of office space. The movements of the lease liabilities are as follows:

	2020 US$	**2019 US$**
Balance at beginning of year	–	–
Addition during the year	91,812	–
Interest expense	2,740	–
Principal and interest payments	(36,019)	–
Balance at end of year	58,533	–

The maturity of the lease liabilities is as follows:

	2020 US$	**2019 US$**
Lease liabilities		
- Current	46,568	–
- Non-current	11,965	–
	58,533	–

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

	Liabilities		
	Borrowings US$	**Lease liabilities US$**	**Total US$**
Balance at 1 January 2019	764,105,971	–	764,105,971
Changes from financing cash flows activities			
Finance costs paid	(36,727,976)	–	(36,727,976)
	(36,727,976)	–	(36,727,976)
Other changes: Liability related			
New leases	–	–	–
Charge to profit or loss	36,516,621	–	36,516,621
	36,516,621	–	36,516,621
Balance at 31 December 2019	763,894,616	–	763,894,616
Balance at 1 January 2020	763,894,616	–	763,894,616
Changes from financing cash flows activities			
Payment of lease liabilities	–	(33,279)	(33,279)
Finance costs paid	(34,503,176)	(2,740)	(34,505,916)
	(34,503,176)	(36,019)	(34,539,195)
Other changes: Liability related			
New leases	–	91,812	91,812
Interest expense	34,248,790	2,740	34,251,530
	34,248,790	94,552	34,343,342
Balance at 31 December 2020	763,640,230	58,533	763,698,763

13 Trade and other payables

	2020 US$	**2019 US$**
Accrued expenses	121,343	98,515
Non-trade payable to holding company	18,540	37,564
Amount due to joint venture	–	9,109,878
	139,883	9,245,957

Non-trade payable to holding company pertains to recharges payable to the parent company, Bharat PetroResources Limited.

Amount due to joint venture pertains to the commitment to joint venture described in note 4.

14 Other income

	2020 US$	2019 US$
Rent concessions	6,891	–
Service income	68,095	–
	74,986	–

Rent concessions are COVID-19 related rent concessions received from the lessor.

15 Finance costs

	2020 US$	2019 US$
Interest expense on bonds	26,321,918	26,250,000
Interest expense on bank borrowings	2,669,071	5,030,422
Interest expense on lease liabilities	2,740	–
Guarantee fees to holding corporation	5,257,801	5,236,199
Amortisation of loan facility fees	466,040	464,766
Bank charges	5,171	4,017
	34,722,741	36,985,404

16 Tax expense

	2020 US$	2019 US$
Current tax expense		
- Current year	28,196	6,851
Reconciliation of effective tax rate		
Profit before tax	29,225,181	68,311,263
Income tax using Singapore tax rate at 17% (2019: 17%)	4,968,281	11,612,915
Effect of result of equity-accounted investee presented net of tax	(10,880,446)	(17,681,086)
Non-deductible expenses	5,972,404	6,075,022
Income not subjected to tax	(24,772)	–
Others	(7,271)	–
	28,196	6,851

17 Related party balances and transactions

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

Service income

	2020 US$	2019 US$
Joint venture – Urja Bharat Pte. Limited	57,120	–
Related party – Matrix Bharat Pte Ltd	10,975	–

Loans receivable from joint venture

	2020 US$	2019 US$
Current		
Loan to Taas India Pte Ltd	–	13,205,751

The loan to Taas India Pte Ltd was denominated in United States Dollar, unsecured and interest free. The outstanding amount of the loan to Taas India Pte Ltd was fully repaid on 31 March 2020.

Key management personnel compensation

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

Key management personnel compensation comprised:

	2020 US$	2019 US$
Salaries and bonuses	69,015	36,691
Directors' fees	5,445	15,214
Other employee benefits	66,426	22,821
	140,886	74,726

18 Financial risk management

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

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

Risk management framework

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

Market risk

Market risk is the risk that changes in market prices – such as interest rates, foreign exchange rates, other price changes – will affect the Company's income.

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

Interest rate risk

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

The Company's interest rate risk arises mainly from bank borrowings. Bank borrowings with variable interest rates expose the Company to interest rate risk. For details of the Company's loans and borrowings, including interest rate profiles, refer to Note 11 of these financial statements.

A reasonably possible change of 100 basis points (2019: 100 basis points) in interest rates at the reporting date would have increased/(reduced) profit or loss by amounts shown below:

	Profit or loss	
	Increase US$	**Decrease US$**
At 31 December 2020		
Variable-rate instruments	(1,500,000)	1,500,000
At 31 December 2019		
Variable-rate instruments	(1,500,000)	1,500,000

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

Currency risk

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

Credit risk

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

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

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

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

Risk management

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

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

Credit rating

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

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Under-performing	Customers negotiating for new credit terms, default in repayment and other relevant indicators that showed customers' deteriorating financial condition	Lifetime expected credit losses
Non-performing	Interest and/or principal payment are 90 days past due	Lifetime expected credit losses

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Write-off	Customers with no reasonable expectation of recovery	Asset is written off

Impairment of financial assets - Cash and balances with banks

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

The amount of the allowance for impairment losses on cash and balances with banks was negligible.

Other than the above, there are no credit loss allowance for other financial asset at amortised cost as at 31 December 2020 and 31 December 2019.

Financial assets that are neither past due nor impaired

Cash and bank balances are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Loans and other receivables that are neither past due nor impaired are substantially corporations with a good collection track record with the Company.

Liquidity risk

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

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

Contractual maturity for financial liabilities

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

	Carrying value US$	Contractual cash flows Total US$	Up to 1 year US$	Between 1 and 3 years US$	Between 3 and 5 years US$	More than 5 years US$
At 31 December 2020						
Borrowings	763,640,230	(945,503,500)	(36,747,000)	(215,772,750)	(61,140,000)	(631,843,750)
Lease liabilities	58,533	(60,034)	(48,028)	(12,006)	–	–
Trade and other payables	139,883	(139,883)	(139,883)	–	–	–
At 31 December 2019						
Borrowings	763,894,616	(982,250,500)	(36,747,000)	(221,949,750)	(61,140,000)	(662,413,750)
Trade and other payables	9,245,957	(9,245,957)	(9,245,957)	–	–	–

19 Fair values of financial instruments

Accounting classifications and fair values

	Note	Amortised cost US$	Other financial liabilities US$	Total carrying amount US$	Fair value US$
31 December 2020					
Cash and balances with banks	8	77,256,491	–	77,256,491	
Other assets*	7	42,431	–	42,431	
		77,298,922	–	77,298,922	
Borrowings	11	–	(763,640,230)	(763,640,230)	(787,908,000)
Lease liabilities	12	–	(58,533)	(58,533)	
Other payables	13	–	(139,883)	(139,883)	
		–	(763,838,646)	(763,838,646)	
31 December 2019					
Cash and balances with banks	8	40,407,079	–	40,407,079	
Other assets*	7	64,344	–	64,344	
Loan receivable from joint venture	9	13,205,751	–	13,205,751	
		53,677,174	–	53,677,174	
Borrowings	11	–	(763,894,616)	(763,894,616)	(774,330,000)
Other payables	13	–	(9,245,957)	(9,245,957)	
		–	(773,140,573)	(773,140,573)	

** Excluding prepayments*

Measurement of fair values

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

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

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

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

Financial instruments not measured at fair value

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Borrowings	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using an adjusted discount rate.	• Adjusted discount rate 3.6% (2019: 4.0%)	• The estimated fair value would increase if the adjusted discount rate was lower.

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

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including other assets, cash and balances with banks and loan receivable from joint venture are assumed to approximate their fair values because of the short period to maturity.

20 COVID-19

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

Set out below is the impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

ii. The Company has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets, in particular its investment in joint ventures as at 31 December 2020, and has assessed these to be appropriate.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021.

21 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of BPRL International Singapore Pte. Ltd. on 15 May 2021.