



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

**Financial Statements**  
**Period from 6 May 2016 (date of incorporation) to**  
**31 March 2017**



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## Independent auditors' report

Parent company of  
Oil India International Pte. Ltd.

### Report on the audit of the financial statements

We have audited, for purposes of your audit of the consolidated financial statements of Oil India Limited ("OIL"), the accompanying financial statements of Oil India International Pte. Ltd. as of 31 March 2017 and for the period then ended. These financial statements have been prepared solely to enable OIL to prepare its consolidated financial statements.

#### *Management's Responsibility for the Special Purpose Financial Information*

Management is responsible for the preparation of these financial statements in accordance with Singapore Financial Reporting Standards ("FRS"), and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that is free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Singapore Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement. We planned and performed our audit using the local materiality level.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of these financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

We wish to draw your attention to the fact that statutory financial statements of the joint ventures, Taas India Pte. Ltd. ("Taas") and Vankor India Pte. Ltd., as at and for the period ended 31 December 2016 are still in the process of completion and are not signed yet.



*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the accompanying financial statements are properly drawn up in accordance with FRS so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the period ended on that date.

*Basis for qualified opinion*

The Company's investment in joint ventures acquired during the period and accounted for by the equity method, is carried at US\$1,055,963,356 on the statement of financial position as at 31 March 2017, and the Company's share in profit of joint ventures of US\$15,114,209 are included in the statement of comprehensive income of the Company for the period from 6 May 2016 (date of incorporation) to 31 March 2017. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Company's investment as at 31 March 2017 and Taas' share of TYNGD LLC's net loss for the period from 5 October 2016 to 31 December 2016 because we were not provided access to the working papers of the auditors of TYNGD LLC. Consequently, we were unable to determine whether any adjustments to these amounts are necessary. However, we were provided the statutory financial statements prepared in accordance with Russian Accounting Principles of TYNGD LLC as at and for the year ended 31 December 2016 for which Ernst & Young LLC issued an unqualified audit opinion.

**Restriction on Use and Distribution**

These financial statements have been prepared for purposes of providing information to OIL to enable it to prepare the consolidated financial statements of the group. These financial statements may, therefore, not be suitable for another purpose.

This report is intended solely for OIL and should not be used by or distributed to other parties.

*KPMG LLP*

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
23 May 2017

*Oil India International Pte. Ltd.*  
*Financial statements*  
*Period from 6 May 2016 (date of incorporation) to 31 March 2017*

**Statement of financial position**  
**As at 31 March 2017**

	Note	2017 US\$
<b>Non-current assets</b>		
Investment in joint ventures	5	1,055,963,356
		<u>1,055,963,356</u>
<b>Current assets</b>		
Other receivable—due from a related party		23,272
Cash and cash equivalents		101,293
		<u>124,565</u>
<b>Total assets</b>		<u>1,056,087,921</u>
<b>Equity</b>		
Share capital	6	179,375,975
Share reserve— prepaid	6	31,789,627
Retained earnings		9,707,610
Currency translation reserve		34,872,887
		<u>255,746,099</u>
<b>Current liabilities</b>		
Borrowings	7	800,290,201
Other payables	8	51,621
<b>Total liabilities</b>		<u>800,341,822</u>
<b>Total equity and liabilities</b>		<u>1,056,087,921</u>

  
 \_\_\_\_\_  
 Director

  
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 Director

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

**Statement of comprehensive income**  
**Period from 6 May 2016 (date of incorporation) to 31 March 2017**

	<b>Note</b>	<b>Period from 6/5/2016 (date of incorporation) to 31/3/2017 US\$</b>
Share in profit of joint ventures		15,114,209
Other operating expenses		(82,827)
Finance costs	9	(5,323,772)
<b>Profit before tax</b>		<b>9,707,610</b>
Tax expense	10	-
Profit after tax		<b>9,707,610</b>
<b>Other comprehensive income:</b>		
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of joint ventures		34,872,887
<b>Other comprehensive income, net of tax</b>		<b>34,872,887</b>
<b>Total comprehensive income for the period</b>		<b>44,580,497</b>

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



**Statement of changes in equity**  
**Period from 6 May 2016 (date of incorporation) to 31 March 2017**

	Share capital US\$	Share reserve – prepaid US\$	Retained earnings US\$	Currency translation reserve US\$	Total equity US\$
<b>At 6 May 2016 (date of incorporation)</b>	1,000	–	–	–	1,000
<b>Total comprehensive income for the period</b>					
Profit for the period	–	–	9,707,610	–	9,707,610
<b>Other comprehensive income</b>					
Foreign currency translation reserve of equity-accounted investees	–	–	–	34,872,887	34,872,887
<b>Total other comprehensive income</b>	–	–	–	34,872,887	34,872,887
<b>Total comprehensive income for the period</b>	–	–	9,707,610	34,872,887	44,580,497
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Issue of shares	179,374,975	–	–	–	179,374,975
Prepayment of share capital	–	31,789,627	–	–	31,789,627
<b>Total contributions by owners of the Company</b>	179,374,975	31,789,627	–	–	211,164,602
<b>At 31 March 2017</b>	179,375,975	31,789,627	9,707,610	34,872,887	255,764,099

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

**Statement of cash flows**  
**Period from 6 May 2016 (date of incorporation) to 31 March 2017**

	<b>Period from 6/5/2016 (date of incorporation) to 31/3/2017 US\$</b>
<b>Cash flows from operating activities</b>	
Profit for the period	9,707,610
Adjustments for:	
- Share in profit of joint ventures	(15,114,209)
- Interest expense	4,828,016
	(578,583)
Changes in working capital:	
- Other receivable due from related party	(23,272)
- Other payables	51,621
<b>Net cash used in operating activities</b>	(550,234)
<b>Cash flows used in investing activity</b>	
Investment in joint ventures	(1,005,976,260)
<b>Net cash used in investing activity</b>	(1,005,976,260)
<b>Cash flows from financing activities</b>	
Proceeds from shares issuance	179,375,975
Proceeds from prepaid shares	31,789,627
Proceeds from bank borrowings	799,487,090
Interest paid	(4,024,905)
<b>Net cash from financing activities</b>	1,006,627,787
<b>Net increase in cash and cash equivalents</b>	101,293
Cash and cash equivalents at 6 May 2016 (date of incorporation)	-
<b>Cash and cash equivalents at 31 March 2017</b>	101,293

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 23 May 2017.

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

Oil India International Pte. Ltd. (the “Company”) is incorporated in the Republic of Singapore and has its registered office at 8 Cross Street, #24-03/04, PWC Building, Singapore 048424.

The Company’s principal activity is investment holding and production of crude petroleum and natural gas. The Company’s immediate and ultimate holding company is Oil India Limited, which is incorporated in India.

### **2 Going concern**

The financial statements have been prepared on a going concern basis, notwithstanding that the Company has a deficiency in net current assets of US\$800,217,257 as of 31 March 2017, as the immediate holding company has given an undertaking to provide such financial support as may be required for the next twelve months to enable the Company to meet its obligations as and when they fall due.

Subsequent to 31 March 2017, the Company has completed the issue of unsecured notes of US\$500 million of 10 year tenor. The notes bear a fixed coupon rate of 4% p.a with interest payable semi-annually. The proceeds of the notes issuance along with additional equity funding from Oil India Limited have been utilized in part repayment of the borrowings to the extent of US\$520 million after the year end.

### **3 Basis of preparation**

#### **3.1 Statement of compliance**

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

#### **3.2 Basis of measurement**

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

#### **3.3 Functional and presentation currency**

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



### **3.4 Use of judgements and estimates**

The preparation of the financial statements in conformity with FRS 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 5 – Investment in Joint Ventures.

## **4 Significant accounting policies**

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

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

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the joint venture is accounted 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. It is 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 equity-accounted investee, after adjustments to align the accounting policies with those of the Company, from the date that joint control commences until the date that joint control ceases.

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

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

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

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 total return.

## **4.2 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 retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated 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 retranslation are recognised in profit or loss as net foreign exchange gain or losses, except for the differences arising on the retranslation of financial instruments at fair value through profit or loss ("FVTPL"), which are recognised as a component of net gain or loss from financial instruments at FVTPL.

### *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 (USD) 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.

## **4.3 Financial instruments**

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

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.



The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and 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 offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classify non-derivative financial assets into the following category: loans and receivables.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and amount due from a related party.

Cash and cash equivalents comprise current accounts with banks.

**(ii)** *Non-derivative financial liabilities*

The Company initially recognises its financial liabilities on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and 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 offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables and borrowings.

## 4.4 Impairment

### *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security.

### *Loans and receivables*

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment.

Those found not to be impaired are then collectively assessed for any impairment that has incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans receivables. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

### *Non-financial assets*

Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.



Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

#### **4.5 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.

#### **4.6 Income tax**

Income 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.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustments to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

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 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 utilised. 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 tax 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.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

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 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 realised simultaneously.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expenses in the period that such a determination is made.

#### **4.7 Leases**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

#### **4.8 Borrowing costs**

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

#### **4.9 New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 6 May 2016 and have not been applied in preparing these financial statements.

**Applicable to 2018 financial statements****FRS 109 Financial Instruments**

FRS 109 *Financial Instruments* replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018. Management is currently reviewing the impact on the financial statements of the Company.

**FRS 115 Revenue from Contracts with Customers**

FRS 115 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 *Revenue from Contracts with Customers* replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 *Revenue from Contracts with Customers* is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 *Revenue from Contracts with Customers* offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its financial statements for the year ending 31 December 2018. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition. Management is currently reviewing the impact on the financial statements of the Company.

**5 Investment in joint ventures**

	2017 US\$
Incorporation	1,005,976,260
Share of profit	15,114,209
Share of comprehensive income	34,872,887
End of financial period	<u>1,055,963,356</u>

Incorporation

On 20 May 2016 and 23 May 2016, the Company entered into joint venture agreements with IOCL Singapore Pte. Ltd. and BPRL International Singapore Pte. Ltd. to invest in two joint ventures.

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 2017 %
<u>Directly held</u>			
TAAS India Pte. Ltd. ("Taas India")	Investment Holding	Singapore	33.5
Vankor India Pte. Ltd. ("Vankor India")	Investment Holding	Singapore	33.5

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

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

Name of investee company	Principal activity	Country of incorporation/ Principal place of business	Percentage of effective equity interest 2017 %
<u>Indirectly held</u>			
TYNGD LLC*	Oil production and exploration	Russian Federation	10.0
JSC Vankorneft*	Oil production and exploration	Russian Federation	8.0

\* Ernst and Young LLC is the auditor of the investments held by joint ventures.

The Company has commitment to support Taas India 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 as it is an operating company.



The following summarises the financial information of the Company's joint ventures based on the audited financial statements as at and for period ended 31 December 2016 prepared in accordance with FRS and modified for differences for alignment to the Company's accounting policies. No reliable financial information with respect of joint ventures was available for the period from 1 January to 31 March 2017. Management has assessed the movements for this period in the amounts of balances and transactions based on management accounts, changes in the business environment and any potential impairment indicators. As a result, management has concluded that no significant adjustment of share in net result of joint ventures is required.

#### Summarised financial information for joint venture

##### *Summarised balance sheet*

	<b>Taas India</b>	<b>Vankor India</b>	<b>Total</b>
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Current assets</b>	1,481,456	452,527	1,933,983
Includes:			
- Cash and short-term deposits	1,481,456	452,527	1,933,983
<b>Non-current assets</b>	1,238,157,007	1,912,204,019	3,150,361,026
<b>Current liabilities</b>	(76,103)	(86,863,486)	(86,939,589)
<b>Non-current liabilities</b>	-	-	-

##### *Summarised statement of comprehensive income*

	<b>Taas India</b>	<b>Vankor India</b>	<b>Total</b>
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Share in (loss)/profit of joint venture	(9,360,948)	54,763,496	45,402,548
Other losses	(400)	-	(400)
Expenses	(100,715)	(184,392)	(285,107)
<b>(Loss)/profit before tax</b>	(9,462,063)	54,579,104	45,117,041
Income tax expense	-	-	-
<b>(Loss)/profit for the period</b>	(9,462,063)	54,579,104	45,117,041
Other comprehensive income	31,287,914	72,810,258	104,098,172
<b>Total comprehensive income</b>	21,825,851	127,389,362	149,215,213

Reconciliation of summarised financial information

	<b>Taas India</b> <b>31 December</b> <b>2016</b> US\$	<b>Vankor India</b> <b>31 December</b> <b>2016</b> US\$	<b>Total</b> <b>31 December</b> <b>2016</b> US\$
<b>Net assets attributable to equity holders</b>			
<b>At date of acquisition</b>	1,217,736,510	1,785,177,699	3,002,914,209
- (Loss)/Profit for the period	(9,462,063)	54,579,104	45,117,041
- Other comprehensive income for the period	31,287,914	72,810,258	104,098,172
<b>At 31 December 2016</b>	<u>1,239,562,361</u>	<u>1,912,567,061</u>	<u>3,152,129,422</u>
<b>At 31 December 2016 – Carrying value</b>			
Interest in joint venture (33.5%; 33.5%)			
Carrying value	<u>415,253,391</u>	<u>640,709,965</u>	<u>1,055,963,356</u>

**6 Share capital**

	<b>Ordinary shares</b> <b>No. of shares</b>
At 6 May 2016 (date of incorporation)	1,000
Issued during the period	179,374,975
At 31 March 2017	<u>179,375,975</u>

*Share reserve – prepaid*

The prepaid share reserve comprises US\$31,789,627 received in consideration for shares which have yet to be issued as at period end.

*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 period.



**7 Borrowings**

	<b>2017</b> <b>US\$</b>
<b>Current Borrowings</b>	800,290,201
Represented by:	
- Bank borrowings	800,000,000
- Accrued interest	803,111
- Transaction costs	(512,910)
	800,290,201

All bank borrowings are unsecured.

The bank borrowings taken by the Company will mature on 3 October 2017 with interest rates at LIBOR plus margin of 0.48% to 0.75% per annum.

**8 Other payables**

	<b>2017</b> <b>US\$</b>
Accrued expenses	51,621
	51,621

**9 Finance costs**

	<b>Period from</b> <b>6/5/2016</b> <b>(date of</b> <b>incorporation)</b> <b>to 31/3/2017</b> <b>US\$</b>
Interest expense on bank borrowings	4,828,016
Amortisation of loan facility fees	495,756
	5,323,772

## 10 Tax expense

	<b>Period from 6/5/2016 (date of incorporation) to 31/3/2017 US\$</b>
<b>Current tax expense</b>	
- Current period	-
 <i>Reconciliation of effective tax rate</i>	
Profit before tax	9,707,610
Income tax using Singapore tax rate at 17%	1,650,294
Non-taxable income	(2,569,415)
Non-deductible expenses	919,121
	-

## 11 Financial risk management

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

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

### **Risk management framework**

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

### **Market risk**

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

The Company's strategy for the management of market risk is driven by the Company's investment objective of making investments in income generating office 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's interest rate risk arises mainly from borrowings. Bank borrowings with variable interest rates expose the Company to interest rate risk. For details of the Company's borrowings, including interest rate profiles, refer to Note 7 of these financial statements.

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

	<b>Profit or (loss)</b>	
	<b>100 bps increase US\$</b>	<b>100 bps decrease US\$</b>
<b>As at 31/3/2017</b>		
Variable-rate instruments	(4,000,000)	4,000,000
<b>Sensitivity (net)</b>	<u>(4,000,000)</u>	<u>4,000,000</u>

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 cash equivalents.

At the reporting date, there was no significant concentration of credit risk. Cash and cash equivalents 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 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.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its commitments associated with financial liabilities.

The Company monitors the liquidity risk and maintains adequate financing and obtains support from its immediate holding company for the Company's operations and to mitigate the effects of fluctuations in cash flows.

**Exposure to liquidity risk**

As at 31 March 2017	Carrying value	(USD in million) Contractual cash flows			
		Up to 1 year	1-3 years	3-5 years	Total
<b>Non-derivative financial liabilities</b>					
Borrowings and interest thereon	800.29	805.80	–	–	805.80
Other financial liabilities	0.05	0.05	–	–	0.05

**12 Fair values of financial instruments**

*Financial assets and liabilities*

The fair value of short term financial assets and liabilities approximate their carrying amounts.

The carrying amount of the bank borrowings approximates fair value as the interest rates are based on the prevailing market interest rate available to the Company.

**13 Comparative information**

No comparative figures have been presented as this is the first set of financial statements prepared by the Company since the date of its incorporation.