

Company Registration No. 200411690H

Gail Global (Singapore) Pte. Ltd.

Annual Financial Statements
31 March 2021



Index

	Page
Directors' Statement	1
Independent Auditor's Report	3
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

Gail Global (Singapore) Pte. Ltd.

Directors' Statement

The directors are please to present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 March 2021.

Opinion of the directors

In the opinion of the directors,

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021, and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; 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.

Directors

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

Ranganathan Elavathur Subramania (Appointed on 1 July 2020)
Karmjit Singh
Sanjay Kumar
Sashi Menon

Arrangements to enable directors to acquire shares and debentures

Neither at the end of the financial year, 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.

Directors' interests in shares and debentures

The following directors who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company's ultimate holding company, GAIL (India) Limited, as stated below:

Name of director	Shares in the name of director	
	At date of appointment	At end of the year
Ranganathan Elavathur Subramania	842	842

Gail Global (Singapore) Pte. Ltd.

Directors' Statement

Share options

During the financial year, there were:

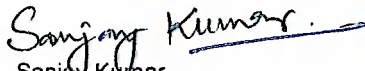
- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

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

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,


Sanjay Kumar
Director


Sashi Menon
Director

[Date] 14 MAY 2021

Gail Global (Singapore) Pte. Ltd.

**Independent Auditor's Report
For the financial year ended 31 March 2021**

Independent Auditor's Report to the Member of Gail Global (Singapore) Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Gail Global (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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 Auditor's 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 ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the 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.

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

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.

**Independent Auditor's Report
For the financial year ended 31 March 2021**

Independent Auditor's Report to the Member of Gail Global (Singapore) Pte. Ltd.

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 FRSSs, 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.

Auditor's 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 auditor's 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Gail Global (Singapore) Pte. Ltd.

**Independent Auditor's Report
For the financial year ended 31 March 2021**

Independent Auditor's Report to the Member of Gail Global (Singapore) Pte. Ltd.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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 control that we identify during our audit.

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.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
14 May 2021

Gail Global (Singapore) Pte. Ltd.**Statement of Financial Position
As at 31 March 2021**

	Note	2021 USD	2020 USD
ASSETS			
Current assets			
Cash and bank balances	4	3,362,867	3,436,827
Trade and other receivables	5	11,554	38,940
Other current assets	6	73,264	98,449
		<u>3,447,685</u>	<u>3,574,216</u>
Non-current assets			
Investment securities	7	5,000,000	5,000,000
Plant and equipment	8	2,142	4,457
Right-of-use assets	9	45,681	181,885
		<u>5,047,823</u>	<u>5,186,342</u>
Total assets		<u><u>8,495,508</u></u>	<u><u>8,760,558</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	10	297,079	352,798
Lease liabilities	9	44,665	129,943
Current income tax liabilities		78,366	78,638
Deferred tax liabilities		537	1,995
		<u>420,647</u>	<u>563,374</u>
Net current assets		<u><u>3,027,038</u></u>	<u><u>3,010,842</u></u>
Non-current liabilities			
Borrowings	11	–	725,000
Lease liabilities	9	–	44,665
Total non-current liabilities		<u>–</u>	<u>769,665</u>
Total liabilities		<u><u>420,647</u></u>	<u><u>1,333,039</u></u>
Net assets		<u><u>8,074,861</u></u>	<u><u>7,427,519</u></u>
Equity attributable to owners of the Company			
Share capital	12	7,100,000	7,100,000
Fair value reserve	13	(14,065,966)	(14,065,966)
Distributable retained profits		15,040,827	14,393,485
Total equity		<u><u>8,074,861</u></u>	<u><u>7,427,519</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Gail Global (Singapore) Pte. Ltd.

Statement of Comprehensive Income
For the financial year ended 31 March 2021

	Note	2021 USD	2020 USD
Revenue	14	418,597,831	745,996,406
Cost of sales		(416,505,407)	(743,460,266)
Gross profit		2,092,424	2,536,140
Other income	15	335,113	370,371
Expenses			
- Depreciation of plant, equipment and right-of-use asset		(138,519)	(92,028)
- Employee compensation	16	(1,098,167)	(1,204,865)
- Professional fees		(112,213)	(157,962)
- Safe custody charges		(2,917)	(2,500)
- LC charges		-	(4,506)
- Rental on operating lease		(241,757)	(302,571)
- Telecommunication		(9,044)	(13,252)
- Travel expenses		(3,276)	(94,245)
- Finance	17	(10,791)	(110,099)
- Other		(92,733)	(124,292)
Total expenses		(1,709,417)	(2,106,320)
Profit before tax		718,120	800,191
Income tax expense	18	(70,778)	(89,128)
Profit for the year, representing total comprehensive income for the year		647,342	711,063

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Gail Global (Singapore) Pte. Ltd.

**Statement of Changes in Equity
For the financial year ended 31 March 2021**

	Share capital (Note 12) USD	Fair value reserve (Note 13) USD	Distributable retained profits USD	Total USD
2021				
As at 1 April 2020	7,100,000	(14,065,966)	14,393,485	7,427,519
Total comprehensive income for the financial year	–	–	647,342	647,342
As at 31 March 2021	7,100,000	(14,065,966)	15,040,827	8,074,861
2020				
As at 1 April 2019	7,100,000	(14,065,966)	13,682,422	6,716,456
Total comprehensive income for the financial year	–	–	711,063	711,063
As at 31 March 2020	7,100,000	(14,065,966)	14,393,485	7,427,519

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Gail Global (Singapore) Pte. Ltd.**Statement of Cash Flows**
For the financial year ended 31 March 2021

	2021 USD	2020 USD
Operating activities		
Profit before tax	718,120	800,191
Adjustments for:		
- Dividend income	(284,940)	(261,427)
- Depreciation of plant, equipment and right-of-use assets	138,519	92,029
- Interest income	(49,069)	(92,816)
- Interest expense	10,791	110,099
- Unrealised currency translation gain	(1,357)	(1,897)
Operating income before working capital changes	532,064	646,179
Changes in working capital:		
- Trade and other receivables	-	24,582,529
- Other current assets	25,185	(15,344)
- Trade and other payables	(55,104)	(33,991)
Cash flows generated from operating activities	502,145	25,179,373
Income tax paid	(72,508)	(79,035)
Interest received	76,455	101,949
Interest paid	(8,274)	(107,546)
Net cash flows generated from operating activities	497,818	25,094,741
Investing activities		
Purchase of plant and equipment	-	(3,035)
Dividend income from investment securities	284,940	261,427
Net cash generated from investing activities	284,940	258,392
Financing activities		
Repayment of loans to banks	-	(24,760,520)
Repayment of intercompany borrowings	(725,000)	(275,000)
Increase in right-of-use assets	-	(12,931)
Payment of principal portion of lease liabilities	(133,075)	(88,142)
Net cash used in financing activities	(858,075)	(25,136,593)
Net (decrease)/increase in cash and cash equivalents	(75,317)	216,540
Cash and bank balances at beginning of financial year	3,436,827	3,218,390
Effect of currency translation on cash and bank balances	1,357	1,897
Cash and bank balances at end of financial year	3,362,867	3,436,827

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 80 Robinson Road, #25-00, Singapore 068898. The address of principal place of business is #43-01A, Suntec Tower One, 7 Temasek Boulevard, Singapore 038987.

The principal activities of the Company are the business of trading of liquefied natural gas and investment holding.

The immediate and ultimate holding corporation is GAIL (India) Limited, a company incorporated in New Delhi, India and listed on National Stock Exchange of India Limited and BSE Ltd.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below are presented in United States Dollars ("USD").

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2020.

The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

Notes to the Financial Statements
For the financial year ended 31 March 2021

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards and interpretation that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 116 Leases: Covid-19 Related Rent Concessions	1 June 2020
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Classification of Liabilities as Current or Non-current	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Foreign currency transactions and balances

The financial statements are presented in United States dollar ("USD"), which is the functional currency of the Company.

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the statement of financial position date are recognised in the profit or loss.

2. Summary of significant accounting policies (cont'd)

2.5 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

Useful lives

Office equipment	3 years
------------------	---------

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.7 Financial Instruments

(a) Financial assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

(i) Amortised cost

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

(ii) Fair value through other comprehensive income (FVOCI)

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

Derecognition

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

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

2. Summary of significant accounting policies (cont'd)

2.7 Financial Instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial asset and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

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

2. Summary of significant accounting policies (cont'd)

2.8 *Impairment of financial assets (cont'd)*

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

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

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

2.9 *Cash and cash bank balances*

Cash and bank balances include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.10 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital.

2.11 *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

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

2. Summary of significant accounting policies (cont'd)

2.12 Leases

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

As lessee

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

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subjected to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises the lease liabilities measured at present value of lease payments to be made over the lease term. The lease payments includes fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. These lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses an incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

2. Summary of significant accounting policies (cont'd)

2.12 Leases (cont'd)

Short-term leases and leases of low-value assets

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

2.13 Revenue

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

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

(i) Sales of goods

Revenue from sale of goods is recognised at a point of time when control of the asset is transferred to the customer, generally on delivery of the goods as performance obligation is judged to have been satisfied and revenue is therefore recognized. Revenue is measured at the consideration promised in the contract with a customer.

(ii) Dividend income

Dividend income is recognised when dividend has been declared and right to receive dividend has been established.

(iii) Interest income

Interest income is recognised on an accrual basis.

2.14 Taxes

(a) Current income tax

Current income tax is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

2. Summary of significant accounting policies (cont'd)

2.14 Taxes (cont'd)

(b) Deferred tax

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

A deferred income tax liability is recognised on temporary differences except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.15 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2. Summary of significant accounting policies (cont'd)

2.16 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.17 Employee compensation

Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

2.18 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Notes to the Financial Statements
For the financial year ended 31 March 2021

3. Significant accounting judgments and estimates

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

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair value of investment securities

Where the fair value of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using other valuation techniques. The Company uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instrument. The management evaluates and assesses amongst other factors and conditions whether there are significant adverse changes in the business environment where the investee operates, probability of insolvency or significant difficulties of the investee. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further information about financial instruments that are measured at fair value can be found in Note 7.

4. Cash and bank balances

	2021 USD	2020 USD
Cash at bank	362,867	436,827
Short-term bank deposits	3,000,000	3,000,000
	3,362,867	3,436,827

Short-term bank deposits are made for varying periods of between one month and twelve months depending on the immediate cash requirements of the Company, and earned interests at an average rate of 1.65% (2020: 3.04%) per annum.

Cash and short-term deposits denominated in foreign currencies at 31 March are as follows:

	2021 USD	2020 USD
Singapore dollar	151,654	284,052
Egypt pound	446	762

Notes to the Financial Statements
For the financial year ended 31 March 2021

5. Trade and other receivables

	2021 USD	2020 USD
Trade receivables	–	–
Interest receivable	11,554	38,940
Total trade and other receivables	11,554	38,940
Add: Cash and bank balances (Note 4)	3,362,867	3,436,827
Add: Deposits (Note 6)	57,636	66,357
Add: Other receivables (Note 6)	–	15,976
Total financial asset carried at amortised cost	3,432,057	3,558,100

Trade receivables

Trade receivables are non-interest bearing and are generally on 8 to 15 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are all denominated in United States Dollars.

Receivables that are past due but not impaired

There has been no trade receivables that are past due at the balance sheet date but not impaired (2020: USD Nil).

6. Other current assets

	2021 USD	2020 USD
Deposits	57,636	66,357
Prepayments	15,628	16,116
Other receivables	–	15,976
	73,264	98,449

7. Investment securities

	2021 USD	2020 USD
At fair value through other comprehensive income		
- Investment securities (unquoted), Egypt	5,000,000	5,000,000

The Company has elected to measure these unquoted investment securities at fair value through other comprehensive income due to the Company's intention to hold these investment securities for long-term appreciation.

The investment securities with carrying amount of USD5,000,000 (2020: USD5,000,000) was mortgaged to holding company for the loan from immediate and ultimate holding company (Note 11).

Notes to the Financial Statements
For the financial year ended 31 March 2021

8. Plant and equipment

	Plant and equipment USD
Cost	
At 1 April 2019	29,778
Additions	3,035
Disposals	(1,954)
	30,859
At 31 March 2020 and 1 April 2020	–
Additions	–
Disposals	(276)
	–
At 31 March 2021	30,583
Accumulated depreciation	
At 1 April 2019	26,475
Depreciation charge	1,881
Disposals	(1,954)
	26,402
At 31 March 2020 and 1 April 2020	2,315
Depreciation charge	–
Disposals	(276)
	2,039
At 31 March 2021	28,441
Net carrying amount	
At 31 March 2020	4,457
	–
At 31 March 2021	2,142

9. Leases

As the lease terms for its office premises and some of its staff accommodation are 12 months or less, the 'short-term lease' recognition exemption is applied. The Company recognises the leases for other staff accommodation as follows:

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

	Staff accommodation 2021 USD	2020 USD
As at 1 April	181,885	–
Additions	–	272,033
Depreciation expense	(136,204)	(90,148)
	45,681	181,885
As at 31 March	45,681	181,885

Notes to the Financial Statements
For the financial year ended 31 March 2021

9. Leases (cont'd)

Set below are the carrying amounts of lease liabilities and the movements during the period:

	Staff accommodation	
	2021	2020
	USD	USD
As at 1 April	174,608	–
Additions	–	259,102
Accretion of interest	3,132	3,648
Payments	(133,075)	(88,142)
As at 31 March	44,665	174,608
Current	44,665	129,943
Non-current	–	44,665

The following are the amounts recognised in profit or loss:

	2021	2020
	USD	USD
Depreciation expenses of right-of-use assets	136,204	90,148
Interest expense on lease liabilities	3,132	3,648
Expense relating to short-term leases (rental on operating lease)	241,757	302,571
Total amount recognised in profit or loss	381,093	396,367

The Company has total cash outflows for leases of USD374,832 (2020: USD390,713) for the financial year ended 31 March 2021. The Company had no non-cash additions to right-of-use assets and lease liabilities (2020: USD259,102) for the financial year ended 31 March 2021.

The Company has several lease contracts that include extension options. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the date of extension options that are not included in the lease terms:

	Within five years	
	2021	2020
	USD	USD
Extension options expected to be exercised	135,137	127,702

Gail Global (Singapore) Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 March 2021**

10. Trade and other payables

	2021 USD	2020 USD
Trade payables to holding company	114,781	117,327
Amount due to holding company (non-trade)	78,168	55,317
Accrued operating expenses	104,130	180,154
	<u>297,079</u>	<u>352,798</u>

Trade payables and amount due to holding company (non-trade) are non-interest bearing, normally settled within 30-day terms and are denominated in United States Dollars.

Trade and other payables denominated in foreign currencies at 31 March are as follows:

	2021 USD	2020 USD
Singapore dollar	100,770	171,419

11. Borrowings

	2021 USD	2020 USD
Non-current:		
Loan from holding company (secured)	–	725,000

Loan from holding company

The outstanding loan from holding company was due on 23 September 2023. During the year it was fully repaid. The loan was secured by the available-for-sale financial assets of the 5% paid up capital in National Gas Company SAE Egypt (NATGAS) with carrying amount of USD5,000,000 (2020: USD5,000,000) as at 31 March 2021 (Note 7) and bears interest at the rate of 6-months LIBOR as per Telerate page plus 1.0% per annum. The weighted average rate of interest during the year was 1.8213% (2020: 3.332%) p.a.

Gail Global (Singapore) Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 March 2021****12. Share capital**

	2021		2020	
	No. of shares	USD	No. of shares	USD
Issued and fully paid ordinary shares				
At 31 March	7,100,000	7,100,000	7,100,000	7,100,000

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

13. Fair value reserves

	2021 USD	2020 USD
Fair value reserves	(14,065,966)	(14,065,966)

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of investment securities at fair value through other comprehensive income.

14. Revenue

	2021 USD	2020 USD
Sale of liquefied natural gas	418,597,831	745,996,406

For the sales of liquefied natural gas, the Company satisfies its performance obligation at a point in time.

15. Other income

	2021 USD	2020 USD
Dividend income	284,940	261,427
Interest income	49,069	92,816
Foreign exchange gain	4	16,128
Others	1,100	-
	335,113	370,371

Gail Global (Singapore) Pte. Ltd.**Notes to the Financial Statements**
For the financial year ended 31 March 2021

16. Employee compensation

	2021 USD	2020 USD
Salaries and bonus	1,027,270	1,126,809
Employer's contribution to defined contribution plans	70,897	78,056
	<u>1,098,167</u>	<u>1,204,865</u>

17. Finance expense

	2021 USD	2020 USD
Interest expense on:		
- Loan from holding company	5,534	29,601
- Bank borrowings	2,125	76,850
- Lease liabilities (Note 9)	3,132	3,648
	<u>10,791</u>	<u>110,099</u>

18. Income tax expense

	2021 USD	2020 USD
Current income tax		
- Current income taxation	78,366	89,174
- Over-provision in respect of previous years	(6,130)	(2,041)
	<u>72,236</u>	<u>87,133</u>
Deferred tax		
- Origination of temporary differences	1,458	1,995
	<u>70,778</u>	<u>89,128</u>

Notes to the Financial Statements
For the financial year ended 31 March 2021

18. Income tax expense (cont'd)Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2021 and 2020 is as follows:

	2021 USD	2020 USD
Profit before tax	718,120	800,191
Tax calculated using statutory tax rate of 17% (2020: 17%)	122,080	136,032
Non-deductible expenses	17,166	13,979
Non-taxable income	(48,440)	(44,443)
Effect of partial tax exemption and tax relief	(12,950)	(12,675)
Over-provision in respect of previous years	(6,130)	(2,041)
Others	(948)	(1,724)
Tax expense	70,778	89,128

19. Related party transactions

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

(a) Sale and purchases of goods and services

	2021 USD	2020 USD
Sales to holding company	–	(52,381,680)
Purchases from holding company	416,505,407	690,991,166
Interest expense on loan from holding company	5,534	29,601
Expenses recharged by holding company	407,840	523,095

Outstanding balances at 31 March 2021, arising from sales of goods, are unsecured, receivable and payable within 12 months from balances sheet date and are disclosed in Note 5 and 10 respectively.

Notes to the Financial Statements
For the financial year ended 31 March 2021

19. Related party transactions (cont'd)

(b) Key management personnel compensation

The remuneration of directors and other members of key management during the year were as follows:

	2021 USD	2020 USD
Salaries and bonus	498,657	464,973
Employer's contribution to defined contribution plans	26,633	29,493
Others	5,900	5,508
	531,190	499,974

20. Fair values of financial instruments

Fair value hierarchy

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within 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).

There have been no transfers between fair value measurement levels during the financial years ended 31 March 2021 and 2020.

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and bank balances (Note 4), Trade and other receivables (Note 5), Trade and other payables (Note 10) and Borrowings (Note 11)

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

20. Fair values of financial instruments (cont'd)Fair value hierarchy (cont'd)**(b) Fair value of financial instruments that are carried at fair value – Level 3**

	Level 3	
	2021	2020
	USD	USD
Investment securities - at fair value through other comprehensive income (unquoted)	5,000,000	5,000,000

Determination of fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company makes assumptions that are based on market conditions existing at each balance sheet date.

Description	Valuation techniques	Unobservable inputs	Range (weighted average) 2021	Range (weighted average) 2020
-------------	----------------------	---------------------	-------------------------------	-------------------------------

Recurring fair value measurements**Financial assets at fair value through other comprehensive income:**

Investment securities	Discounted cash flow	Discount rate	14.70%	10.37%
-----------------------	----------------------	---------------	--------	--------

21. Financial risk management objectives and policies

The Company's activities expose it to market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the financial performance of the Company.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes detailed policies such as risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by key management.

21. Financial risk management objectives and policies (cont'd)

(a) Market risk (cont'd)

(i) Price risk

The Company's exposure to market price risks primarily arises from its trading activities. The price of liquefied natural gas, which is a global commodity is not set by the Company and is subject to fluctuations.

The Company manages its liquefied natural gas price risk relating to its physical trading activities by entering back to back transaction on fixed margin with its holding company.

(ii) Foreign currency risk

The Company's trading activities are mainly denominated in United States dollars.

The Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. The Company's foreign exchange exposures are primarily from Singapore Dollar ("SGD") and Egyptian Pound ("EGP").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates of SGD and EGP (against USD), with all other variables held constant, of the company's profit net of taxation.

		Profit net of taxation	
		2021	2020
		USD	USD
EGP	– strengthened 9% (2020: 9%)	218	57
	– weakened 9% (2020: 9%)	(218)	(57)
SGD	– strengthened 5% (2020: 5%)	2,112	4,675
	– weakened 5% (2020: 5%)	(2,112)	(4,675)

(iii) Interest rate risk

The Company is exposed to interest rate risk on its borrowings. The Company periodically reviews its liabilities and monitor interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable level. The Company is not exposed to change in interest rates for fixed rate interest earning financial assets.

The Company is not exposed to interest rate risk on its short-term bank borrowing for the spot liquefied natural gas cargoes procured under the spot mandate for the holding company. In such a situation, interest is charged on back to back basis from holding company.

21. Financial risk management objectives and policies (cont'd)

(a) Market risk (cont'd)

(iii) Interest rate risk (cont'd)

For loan from holding company, the interest is charged at the rate of 6-months LIBOR as per Telerate page plus one hundred basis point (bps) on the principal amount. If the interest rate had increased/decreased by 0.5% (2020: 0.5%) with all other variables including tax rate being held constant, the impact on net profit would have been lower/higher by USD NIL (2020: USD3,625) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk is the risk that counterparties default in their contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are cash and bank balances and trade receivables. For trade receivables with its holding company, there is no credit risk. For trade receivables other companies, the Company transacts by taking a standby letter of credit from reputed international banks with an exception on case to case basis from the companies with a very strong financial position and reputation. For other financial assets, the Company adopts the policy of dealing with financial institutions and other counterparties with high credit rating.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. The Company places its cash and bank balances with reputable banks and financial institutions which are regulated.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due.

Trade receivables:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. There is no history of default and trade receivables as at balance sheet are not past due. Accordingly, the Company determined that the ECL is insignificant.

Financial assets that are neither past due nor impaired

Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Notes to the Financial Statements
For the financial year ended 31 March 2021

21. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk

The Company manages its liquidity risk by maintaining sufficient cash and bank balances to enable them to meet its normal operational requirements and having an adequate amount of committed/uncommitted credit facilities. As at balance sheet date, assets held by the Company for managing liquidity risk included bank balances.

The table below analyses the maturity profile of the financial liabilities of the Company based on contractual undiscounted cash flows. Balance due within 12 months equal their carrying amount as the impact of discounting is not significant.

	Less than 1 year USD	Between 2 and 5 years USD	Total USD
2021			
Trade and other payables	297,079		297,079
Lease liabilities	44,665	–	44,665
Total undiscounted financial liabilities	341,744	–	341,744
2020			
Trade and other payables	352,798	–	352,798
Lease liabilities	129,943	44,665	174,608
Borrowings	–	813,130	813,130
Total undiscounted financial liabilities	482,741	857,795	1,340,536

22. Capital management

The Company objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a debt-equity ratio. The debt-equity ratio is calculated as non-current liabilities divided by net assets.

	2021 USD	2020 USD
Non-current liabilities	–	769,665
Total equity	8,074,861	7,427,519
Debt equity ratio (times)	0.00	0.10

22. Capital management (cont'd)

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2021 and 2020.

23. Authorisation of financial statements

The financial statements for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 14 May 2021.