

Indus Gas Limited and its subsidiaries
 (“Indus” or the “Company”)

**Unaudited Condensed Consolidated Interim Financial
 Statements for the six-month period ended 30 September 2022**

Indus Gas Limited (AIM:INDI), an oil & gas exploration and development company with assets in India, is pleased to report its interim results for the six-month period ending 30 September 2022.

Consolidated reported adjusted revenues, operating profit and profit before tax for the interim period ending 30 September 2022 were US\$ 27.42m (US\$ 27.11m interim 2021), US\$ 23.13m (US\$ 22.97m interim 2021) and US\$ 22.68m (US\$ 22.97m interim 2021) respectively.

The Company has continued to make provision for a notional deferred tax liability of US\$ 9.91m (US\$ 6.09m interim 2021), in accordance with IFRS requirements.

The Company is currently producing from the SGL field as well as the SSF & SSG fields, with production in line with current year projections. The Company had earlier received approval from the Directorate General of Hydrocarbons (“DGH”) and government for the integrated Field Development Plan (“FDP”) of SSG (Pariwar) & SSF (B&B) discoveries. All gas production from the three fields is currently being sold to GAIL per the contract below. At the same time, the Petroleum & Natural Gas Regulatory Board (PNGRB) are undertaking consultations for deciding on the pipeline route for evacuation of the gas from the SSG and SSF fields.

The gas price for RJ-ON/6 block effective from 1 April 2022 has been agreed to be as per the domestic gas price on Gross Calorific Value (GCV) basis as notified by petroleum planning and analysis cell of the Government of India. The floor price will continue to US\$ 4.5146 per MMBTU on GCV being the existing price of US\$ 5 per MMBTU on Net Calorific Value (NCV) basis. The gas price revision has resulted in the gas price being revised to US\$ 6.1 per MMBTU on GCV basis from 1 April 2022 to 30 September 2022.

Jonathan Keeling, Chairman of Indus Gas, commented:

“The Company welcomed the Gas Price revision, which was effective from April 2022. The production from the block resulted in Company achieving stable revenues and another profitable half year. Post period end, the Company was pleased to achieve a partial refinancing of its medium term notes.”

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Unaudited Condensed Consolidated Statement of Financial Position

(All amounts in US\$, unless otherwise stated)

	Notes	As at 30 September 2022 (Unaudited)	As at 30 September 2021 (Unaudited)	As at 31 March 2022 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	6	1,189,884,758	1,097,162,179	1,149,223,672
Tax assets		1,431,777	979,498	1,213,986
Other assets		549	567	549
Total non-current assets		1,191,317,084	1,098,142,244	1,150,438,207
Current assets				
Inventories		6,516,961	7,074,881	9,459,753
Prepayments		3,715,982	617,930	-
Trade and other receivables		7,081,049	12,010,459	20,105,840
Receivable from related party		108,775,152	126,453,576	120,408,124
Cash and cash equivalents		4,122,096	4,877,577	4,452,010
Total current assets		130,211,240	151,034,423	154,425,727
Total assets		1,321,528,324	1,249,176,667	1,304,863,934
LIABILITIES AND EQUITY				
Shareholders' equity				
Share capital		3,619,443	3,619,443	3,619,443
Additional paid-in capital		46,733,689	46,733,689	46,733,689
Currency translation reserve		(9,313,782)	(9,313,782)	(9,313,782)
Merger reserve		19,570,288	19,570,288	19,570,288
Retained earnings		264,787,793	233,611,037	251,953,802
Total shareholders' equity		325,397,431	294,220,675	312,563,440
LIABILITIES				
Non-current liabilities				
Long term debt, excluding current portion	7*	27,200,889	199,541,249	39,239,735
Payable to related parties, excluding current portion	09	627,488,125	583,933,798	625,442,503
Deferred tax liabilities (net)		130,350,919	115,751,586	120,398,433
Provision for decommissioning		1,920,701	1,968,008	1,987,325
Deferred revenue		25,563,995	25,563,995	25,563,995
Total non-current liabilities		812,524,629	926,758,636	812,631,991
Current liabilities				
Current portion of long-term debt	7*	176,433,130	20,841,609	172,747,343
Current portion payable to related parties	09	9225	345,698	345,105
Trade and other payables		2,086,823	1,932,963	1,498,969
Deferred revenue		5,077,086	5,077,086	5,077,086
Total current liabilities		183,606,264	28,197,356	179,668,503
Total liabilities		996,130,893	954,955,992	992,300,494
Total liabilities and equity		1,321,528,324	1,249,176,667	1,304,863,934

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

**USD 150 million Senior Unsecured Notes due in December 2022 have been exchanged with New Senior Unsecured Notes due in 2027. Thus, the current portion of long-term debt has been reduced by USD 150 million and long-term debt excluding current portion has been increased by USD 150 million as of 1st December 2022 as a result of this exchange.*

Unaudited Condensed Consolidated Statement of Comprehensive Income

(All amounts in US \$, unless otherwise stated)

	Notes	Six months ended 30 September 2022	Six months ended 30 September 2021
		Unaudited	Unaudited
Revenue		27,416,956	27,114,413
Cost of sales		(4,282,747)	(3,777,098)
Administrative expenses		(405,865)	(372,083)
Profit from operations		22,728,344	22,965,232
Foreign exchange gain/(loss), net		58,132	461
Interest income		-	-
Profit before tax		22,786,476	22,965,693
Income taxes		(9,952,486)	(6,098,274)
Provision for Deferred tax charge			
Profit for the period (attributable to the shareholder of the Group)		12,833,991	16,867,419
Total comprehensive income for the period (attributable to the shareholders of the Group)		12,833,991	16,867,419
Earnings per share	10		
<i>Basic</i>		<i>0.07</i>	<i>0.09</i>
<i>Diluted</i>		<i>0.07</i>	<i>0.09</i>

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Unaudited Condensed Consolidated Statement of Changes in Equity

(All amounts in US \$, unless otherwise stated)

	<u>Common Stock</u>		Additional	Currency	Merger	(Accumulated	Total
	Number	Amount	paid-in	translation	reserve	losses)/	stockholders'
			capital	reserve		Retained	equity
						earnings	
Balance as at 1 April 2022	182,973,924	3,619,443	46,733,689	(9,313,782)	19,570,288	251,953,803	312,563,441
Profit for the period	-	-	-	-	-	12,833,990	12,833,990
Total comprehensive income for the period	-	-	-	-	-	12,833,990	12,833,990
Balance as at 30 September 2022	182,973,924	3,619,443	46,733,689	(9,313,782)	19,570,288	264,787,793	325,397,431
Balance as at 1 April 2021	182,973,924	3,619,443	46,733,689	(9,313,782)	19,570,288	216,743,618	277,353,256
Profit for the period	-	-	-	-	-	16,867,419	16,867,419
Total comprehensive income for the period	-	-	-	-	-	16,867,419	16,867,419
Balance as at 30 September 2021	182,973,924	3,619,443	46,733,689	(9,313,782)	19,570,288	233,611,037	294,220,675

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Unaudited Condensed Consolidated Statement of Cash Flows

(All amounts in US \$, unless otherwise stated)

	Six months ended 30 September 2022 (Unaudited)	Six months ended 30 September 2021 (Unaudited)
(A) Cash flow from operating activities		
Profit before tax	22,786,476	22,965,693
Adjustments		
Unrealised exchange loss/ (gain)	(58,132)	(461)
Interest income	-	-
Depreciation	3,697,287	3,388,578
Changes in operating assets and liabilities		
Inventories	2,942,792	1,463,383
Trade receivables	11,254,024	20,898,031
Trade and other payables	3,996,329	3,498,515
Other current and non-current assets	(1,945,215)	(572,339)
Provisions for decommissioning	(66,625)	55,577
Other liabilities	251,975	(1,955,840)
Cash generated from operations	42,858,911	49,741,134
Income taxes paid/refund	(217,791)	(63,168)
Net cash generated from operating activities	42,641,120	49,677,966
(B) Cash flow from investing activities		
Purchase of property, plant and equipment ^A	(8,647,153)	(17,366,652)
Interest received	-	-
Net cash used in investing activities	(8,647,153)	(17,366,652)
(C) Cash flow from financing activities		
Repayment of long-term debt from banks	(8,568,000)	(12,168,000)
Proceed from Related Party	(18,250,000)	(8,575,000)
Payment of interest	(7,564,013)	(7,687,963)
Net cash generated from financing activities	(34,382,013)	(28,429,963)
Net change in cash and cash equivalents	(388,046)	3,881,352
Cash and cash equivalents at the beginning of the period	4,452,010	995,765
Effect of exchange rate change on cash and cash equivalents	58,132	461
Cash and cash equivalents at the end of the period	4,122,096	4,877,577

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All amounts in US \$, unless otherwise stated)

1. INTRODUCTION

Indus Gas Limited (“Indus Gas” or “the Company”) was incorporated in the Island of Guernsey on 4 March 2008 pursuant to an Act of the Royal Court of the Island of Guernsey. The Company was set up to act as the holding company of iServices Investments Limited. (“iServices”) and Newbury Oil Co. Limited (“Newbury”). iServices and Newbury are companies incorporated in Mauritius and Cyprus, respectively. iServices was incorporated on 18 June 2003 and Newbury was incorporated on 17 February 2005. The Company was listed on the AIM of the London Stock Exchange on 6 June 2008. Indus Gas, through its wholly owned subsidiaries iServices and Newbury (together the “Group”), is engaged in the business of oil and gas exploration, development and production.

Focus Energy Limited (“Focus”), an entity incorporated in India, entered into a Production Sharing Contract (“PSC”) with the Government of India (“GOI”) and Oil and Natural Gas Corporation Limited (“ONGC”) on 30 June 1998 for petroleum exploration and development concession in India known as RJ-ON/06 (“the Block”). Focus is the Operator of the Block. On 13 January 2006, iServices and Newbury entered into an interest sharing agreement with Focus and obtained a 65 per cent and 25 per cent share respectively in the Block. The balance 10 per cent of participating interest is owned by Focus. The participating interest explained above is subject to any option to acquire 30 per cent Participating Interest exercised by ONGC in respect of discoveries. ONGC has already exercised 30 per cent PI option for SGL field (as further explained in Note 3).

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements are for the six months ended 30 September 2022 and are presented in United States Dollar (US\$), which is the functional currency of the parent company and other entities in the Group. They have been prepared in accordance with *IAS 34 Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards as adopted by the European union, and should be read in conjunction with the consolidated financial statements and related notes of the Group for the year ended 31 March 2022.

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis. The accounting policies applied in these unaudited condensed consolidated interim financial statements are consistent with the policies that were applied for the preparation of the consolidated financial statements for the year ended 31 March 2022.

These unaudited condensed consolidated interim financial statements are for the six months ended 30 September 2022 and have been approved for issue by the Board of Directors.

3. JOINTLY CONTROLLED ASSETS

As explained above, the Group through its subsidiaries iServices and Newbury has an "Interest sharing arrangement" with Focus in the block, which under IFRS 11 Joint Arrangements, is classified as a 'Joint operation'. All rights and obligations in respect of exploration, development and production of oil and gas resources under the 'Interest sharing agreement' are shared between Focus, iServices and Newbury in the ratio of 10 per cent, 65 per cent and 25 per cent respectively.

Under the PSC, the GOI, through ONGC has an option to acquire a 30 per cent participating interest in any discovered field, upon such successful discovery of oil or gas reserves, which has been declared as commercially feasible to develop.

The block is divided into 3 fields - SGL, SSG and SSF.

The SGL field received its declaration of commercial discovery on 21 January 2008. Subsequent to the declaration of commercial discovery in SGL field, ONGC exercised the option to acquire a 30 per cent participating interest in the discovered fields on 6 June 2008. The exercise of this option would reduce the interest of the existing partners proportionately.

However, on exercise of this option, ONGC is liable to pay its share of 30 per cent of the SGL field development costs and production costs incurred after 21 January 2008 and in order to be entitled to their 30 per cent share in the production of gas subject to recovery of contract costs as explained below.

The allocation of the production from the field to each participant in any year is determined on the basis of the respective proportion of each participant's cumulative unrecovered contract costs as at the end of the previous year or where there is no unrecovered contract cost at the end of previous year on the basis of participating interest of each such participant in the field.

On the basis of the above, gas production for the period ended 30th September 2022 continues to be shared between Focus, iServices and Newbury in the ratio of 10 percent, 65 percent, and 25 percent, respectively. ONGC will not be entitled to any participating interest in the production until the full exploration and development cost is recovered by other participants.

The aggregate amounts relating to jointly controlled assets, liabilities, expenses and commitments related thereto that have been included in the consolidated financial statements are as follows:

Particular	Period ended 30 September 2022 (Unaudited)	Period ended 30 September 2021 (Unaudited)	Year ended 31 March 2022 (Audited)
Non-current assets	1,189,884,758	1,097,162,176	1,149,223,672
Current assets	115,292,113	133,528,427	129,867,877
Non-current liabilities	1,920,700	1,968,004	1,987,325
Current liabilities	-	-	-
Expenses (net of finance income)	3,996,329	3,498,515	6,702,159
Commitments	-	-	-

Further, the SSF and SSG field has also received its declaration of commerciality on 24th November 2014. Subsequent to the declaration of commerciality for SSF and SSG discovery, ONGC did not exercise the option to acquire 30 percent in respect of SSG and SSF field. The participating interest in SSG and SSF field between Focus, iServices and Newbury will remain in ratio of 10 percent, 65 percent and 25 percent respectively for exploration, evaluation and development cost, and production revenue for SSF and SSG in the block.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

5. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the management in order to allocate resources to the segments and to assess their performance. The Company considers that it operates in a single operating segment being the production and sale of gas.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

Cost	Land	Extended well test equipment	Development Assets	Production Assets	Bunk Houses	Vehicles	Other assets	Capital work-in-progress	Total
Balance as at 1 April 2022	167,248	5,172,729	865,416,249	329,916,943	7,869,575	4,917,035	1,695,265	2,978,870	1,218,133,914
Additions	-	162,004	44,341,029	66,383,013	-	46,888	-	26,293	110,959,227
Disposals/Transfers	-	-	(66,383,013)	-	-	-	-	-	(66,383,013)
Balance as at 30 September 2022	167,248	5,334,733	843,374,265	396,299,956	7,869,575	4,963,923	1,695,265	3,005,163	1,262,710,128
Accumulated depreciation									
Balance as at 1 April 2022	-	2,898,821	-	53,213,090	6,217,173	4,897,781	1,683,377	-	68,910,242
Depreciation for the period	-	108,295	-	3,697,139	97,770	10,007	1,917	-	3,915,128
Balance as at 30 September 2022	-	3,007,116	-	56,910,229	6,314,943	4,907,788	1,685,294	-	72,825,370
Carrying value									
As at 30 September 2022	167,248	2,327,617	843,374,265	339,389,727	1,554,632	56,135	9,971	3,005,163	1,189,884,758

Cost	Land	Extended well test equipment	Development Assets	Production assets	Bunk houses	Vehicles	Other assets	Capital work-in-progress	Total
Balance as at 1 April 2021	167,248	4,914,434	862,379,376	258,573,672	7,869,575	4,917,035	1,695,265	2,894,389	1,143,410,994
Additions	-	258,301	19,711,928	91,111,073	-	-	-	54,105	111,135,407
Disposals/Transfers	-	-	(91,111,073)	-	-	-	-	-	(91,111,073)
Balance as at 30 September 2021	167,248	5,172,735	790,980,231	349,684,745	7,869,575	4,917,035	1,695,265	2,948,494	1,163,435,328
Accumulated depreciation									
Balance as at 1 April 2021	-	2,673,660	-	47,378,610	6,018,596	4,702,682	1,683,377	-	62,456,925
Depreciation for the period	-	100,223	-	3,500,156	100,811	113,117	1,917	-	3,816,224
Balance as at 30 September 2021	-	2,773,883	-	50,878,766	6,119,407	4,815,799	1,685,294	-	66,273,149
Carrying value									
As at 30 September 2021	167,248	2,398,852	790,980,231	298,805,979	1,750,168	101,236	9,971	2,948,494	1,097,162,179

Cost	Land	Extended well test equipment	Development	Production assets	Bunk houses	Vehicles	Other assets	Capital work-in-progress	Total
Balance as at 1 April 2021	167,248	4,914,428	862,379,376	258,573,672	7,869,575	4,917,035	1,695,265	2,894,389	1,143,410,989
Additions	-	258,301	74,380,143(71,343,270)	-	-	-	-	84,481	74,722,925
Disposals/Transfers	-	-	-	71,343,270	-	-	-	-	-
Balance as at 31 March 2022	167,248	5,172,729	865,416,249	329,916,943	7,869,575	4,917,035	1,695,265	2,978,870	1,218,133,914
Accumulated depreciation									
Balance as at 1 April 2021	-	2,673,660	-	47,378,609	6,018,596	4,702,682	1,683,377	-	62,456,924
Depreciation for the period	-	225,161	-	5,834,481	198,577	195,099	-	-	6,453,318
Balance as at 31 March 2022	-	2,898,821	-	53,213,090	6,217,173	4,897,781	1,683,377	-	68,910,242
Carrying value									
As at 31 March 2022	167,248	2,273,908	865,416,249	276,703,853	1,652,402	19,254	11,888	2,978,870	1,149,223,672

Borrowing costs capitalised for the period ended 30 September 2022 amounted to US\$ 28,074,577 (30 September 2021: US\$ 7,788,003 and 31 March 2022: US\$ 53,932,526).

7. LONG TERM DEBT FROM BANKS

	Maturity	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	31 March 2022 (Audited)
Non-current portion of long-term debt	2024	*27,200,889	49,507,554	39,239,735
Current portion of long-term debt from banks		22,665,893	17,269,609	19,079,585
Total		49,866,782	66,777,163	58,319,320

Current interest rates are variable and weighted average interest for the period was 6.75 per cent per annum (30 September 2021: 6.70 per cent per annum and 31 March 2022: 6.76 per cent per annum). The fair value of the above variable rate borrowings is considered to approximate their carrying amounts.

The term loans are secured by following: -

- First charge on all project assets of the Group both present and future, to the extent of SGL Field Development and to the extent of capex incurred out of this facility in the rest of RJ-ON/6 field.
- First charge on the current assets (inclusive of condensate receivable) of the Group to the extent of SGL field.
- First Charge on the entire current assets of the SGL Field and to the extent of capex incurred out of this facility in the rest of RJON/6 field.

From Bonds

	Maturity	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	31 March 2022 (Audited)
Non-current portion of long-term debt	2023	-	150,033,695	-
Current portion of long-term debt		*153,767,237	3,572,000	153,667,758
Total		153,767,237	153,605,695	153,667,758

*The Group has issued USD 150 million notes which carries interest at the rate of 8 per cent per annum. These notes are unsecured notes and were fully repayable at the end of 5 years i.e., December 2022, further interest on these notes is paid semi-annually. US\$ 150 million Senior Unsecured Notes due in December 2022 have since been exchanged with New Senior Unsecured Notes due in 2027. Thus, the current portion of long-term debt has been reduced by US\$ 150 million and long term debt excluding current portion has increased by US\$ 150 million as of 1st December 2022 as a result of this exchange.

8. RELATED PARTY TRANSACTIONS

The related parties for each of the entities in the Group have been summarised in the table below:

Nature of the relationship	Related Party's Name
I. Holding Company	Gynia Holdings Ltd.
II. Ultimate Holding Company	Multi Asset Holdings Ltd. (<i> Holding Company of GyniaHoldings Ltd.</i>)
III. Enterprise over which Key Management Personnel (KMP) exercise control (<i>with whom there are transactions</i>)	Focus Energy Limited

Disclosure of transactions between the Group and related parties and the outstanding balances as of 30 September 2022 and 30 September 2021 are as follows:

Transactions during the period

Particulars	Period ended	
	30 September 2022	30 September 2021
<i>Transactions with the Holding Company</i>		
Amount Received	(18,250,000)	(8,575,000)
Interest	-	-
<i>Transactions with KMP</i>		
Short term employee benefits	69,055	132,947
<i>Entity over which KMP exercise control</i>		
Cost incurred by the Focus on behalf of the group in respect of the Block	12,952,972	9,276,547
Remittances	1,320,000	11,336,000

09. PAYABLE/RECEIVABLE TO RELATED PARTIES

Particulars	As at	As at	As at
	30 September 2022	30 September 2021	31 March 2022
<i>Entity over which KMP exercise control</i>			
Receivable to Focus Energy Limited	108,775,152	126,453,576	120,408,124
<i>Payable with the Holding Company</i>			
Payables to Gynia Holding Limited*	627,488,125	583,933,798	625,442,503
<i>Payable to KMP</i>			
Employee obligation	9,225	345,698	345,105

*Including interest

Directors' remuneration

Directors' remuneration is included under administrative expenses, evaluation and exploration assets or development assets in the unaudited consolidated financial statements allocated on a systematic and rational manner.

Amount receivable from Focus

Amount receivable from Focus represents amounts paid in advance to them in respect of contract costs in Block RJ-ON/6.

Liability payable to Gynia

Borrowings from Gynia Holdings Ltd. carries interest rate of 6.5 per cent per annum compounded annually. The outstanding balance was made subordinated to the loans taken from the banks and therefore, is payable subsequent to repayment of bank loan in year 2024.

10. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profits attributable to ordinary shareholders divided by the weighted average number of shares issued during the period.

Calculation of basic and diluted earnings per share is as follows:

	Period ended 30 September 2022	Period ended 30 September 2021
Profit attributable to shareholders of Indus Gas Limited, for basic and dilutive	12,833,991	16,867,419
Weighted average number of shares (used for basic profit per share)	182,973,924	182,973,924
No. of equivalent shares in respect of outstanding options	-	-
Diluted weighted average number of shares (used for diluted profit per share)	182,973,924	182,973,924
Basic earnings per share (US\$)	0.07*	0.09*
Diluted earnings per share (US\$)	0.07*	0.09*

**Rounded off to the nearest two decimal places.*

11. COMMITMENTS AND CONTINGENCIES

At 30 September 2022, the Group had capital commitments of US\$Nil (30 September 2022: US\$Nil; 31 March 2022: US\$Nil) in relation to property, plant & equipment – development/producing assets, in the Block. The Group has no contingencies as at 30 September 2022 (30 September 2021: Nil; 31 March 2022: Nil).

12. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 March 2022.

13. INCOME TAX CREDIT

Indus Gas profits are taxable as per the tax laws applicable in Guernsey where zero per cent tax rate has been prescribed for corporates. Accordingly, there is no tax liability for the Group in Guernsey. iServices and Newbury being participants in the PSC are covered under the Indian Income tax laws as well as tax laws for their respective countries. However, considering the existence of double tax

avoidance arrangement between Cyprus and India, and Mauritius and India, profits in Newbury and iServices are not likely to attract any additional tax in their local jurisdiction. Under Indian tax laws, Newbury and iServices are allowed to claim the entire expenditure in respect of the Oil Block incurred until the start of commercial production (whether included in the exploration and evaluation assets or development assets) as deductible expense in the first year of commercial production or over a period of 10 years. The Group has opted to claim the expenditure in the first year of commercial production. As the Group has commenced commercial production for SGL field in 2011 and has generated profits in Newbury and iServices, the management believes there is reasonable certainty of utilisation of such losses in the future years and thus a deferred tax asset has been created in respect of these.

14. BASIS OF GOING CONCERN ASSUMPTION

As at 30 September 2022, the Group had current liabilities amounting to US\$ 183,606,263, the majority of which is towards current portion of borrowings from banks and bonds. As at 30 September 2022, the amounts due for repayment (including interest payable) within the next 12 months for long term borrowings were US\$ 176,433,130.

Out of US\$176.43 million an amount of US\$ 150 million Senior Unsecured Notes due in December 2022 have since been exchanged with New Senior Unsecured Notes due in 2027. Thus the current portion of long-term debt has been reduced by US\$ 150 million and Long term debt excluding current portion has been increased by US\$ 150 million as of 1st December 2022 as a result of this exchange. The Group expects to meet the balance amount from its internal generation of cash from operations.

Post period end, the Group has raised New Senior Unsecured Notes of US\$ 10 million (Aggregate New Senior Unsecured Notes being US\$ 160 million) due in 2027. Additional funds may be raised, if required, which will be used for planned capital expenditures (including the development of assets).

Further, there is no significant impact of Covid-19 on the Company's ability to continue as going concern considering that the entity is in the business of essential services.

15. FINANCIAL INSTRUMENTS

A summary of the Group's financial assets and liabilities by category is mentioned in the table below. The carrying amounts of the Group's financial assets and liabilities as recognized at the end of the reporting periods under review may also be categorized as follows:

	30 September 2022	30 September 2021	31 March 2022
Non-current assets			
<i>Loans</i>			
- Security deposits	549	567	549
Current assets			
- Trade receivables	7,081,049	12,010,459	18,335,073
- Cash and cash equivalents	4,122,096	4,877,577	4,452,010
Total financial assets	11,203,694	16,888,603	22,787,632
<i>Financial liabilities measured at amortized cost</i>			
Non-current liabilities			
- Long term debt from banks	27,200,889	199,541,249	39,239,735

- Payable to related parties	627,488,125	583,933,798	625,442,503
Current liabilities			
- Current portion of long-term debt*	176,433,130	20,841,609	172,747,343
- Current portion of payable to related parties	9,225	345,697	345,105
- Accrued expenses and other liabilities	2,086,824	1,932,963	1,382,844
Total financial liability measured at amortized cost	833,218,193	806,595,316	839,157,530

**US\$ 150 million Senior Unsecured Notes due in December 2022 have since been exchanged with New Senior Unsecured Notes due in 2027. Thus, the current portion of long-term debt has been reduced by US\$ 150 million and long term debt excluding current portion has been increased by the same amount as of 1st December 2022 as a result of this exchange.*

The fair value of the financial assets and liabilities described above closely approximates their carrying value on the statement of financial position dates.