RELIANCE GLOBAL ENERGY SERVICES (SINGAPORE) PTE LTD

FINANCIAL STATEMENTS
2018-19

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RELIANCE GLOBAL ENERGY SERVICES (SINGAPORE) PTE LTD

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Reliance Global Energy Services (Singapore) Pte Ltd (the "company"), which comprise the statement of financial position of the company as at March 31, 2019, and the statement of profit or loss and other 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, as set out on pages 6 to 36.

In our opinion, the accompanying financial statements of the company 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 March 31, 2019 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.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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 FRSs, 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:

(a) 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.

(b) 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.

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

(d) 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.

(e) 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 management 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.

DELOITTE & TOUCHE LLP
Public Accountants and
Chartered Accountants

Singapore
April 17, 2019

STATEMENT OF FINANCIAL POSITION
March 31, 2019

	Note	2019	2018
		US$	US$
ASSETS			
Current assets			
Cash and cash equivalents	6	29,287,106	3,406,765
Trade receivables	7	613,875,047	380,800,000
Derivative financial instruments	8	10,170,016	27,641,674
Other receivables and prepayments	9	23,798,240	17,091,134
Inventories	10	54,259,047	82,249,264
Total current assets		**731,389,456**	**511,188,837**
Non-current assets			
Other receivables and prepayments	9	110,282	103,256
Plant and equipment	11	148,923	122,249
Total non-current assets		**259,205**	**225,505**
Total assets		**731,648,661**	**511,414,342**
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	12	628,174,435	472,422,796
Short term borrowings	13	43,500,000	-
Derivative financial instruments	8	23,817,702	31,665,554
Income tax payable		1,453,382	-
Total current liabilities		**696,945,519**	**504,088,350**
Capital and reserves			
Share capital	14	1,175,180	1,175,180
Exchange reserves		1,923	1,923
Accumulated profits		33,526,039	6,148,889
Total equity		**34,703,142**	**7,325,992**
Total liabilities and equity		**731,648,661**	**511,414,342**

See accompanying notes to financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2019

	Note	2019	2018
		US$	US$
Revenue	15	**7,982,160,935**	**4,635,196,944**
Cost of sales		(7,944,409,823)	(4,622,512,013)
Gross profit		**37,751,112**	**12,684,931**
Other operating income		1,124,234	446,697
Staff costs		(3,381,476)	(3,304,520)
Other operating expenses, net	16	(3,902,331)	(2,101,717)
Finance costs	17	(2,658,483)	(2,517,266)
Profit before income tax	18	**28,933,056**	**5,208,125**
Income tax	19	(1,555,906)	(467,955)
Profit for the year, representing total comprehensive income for the year		**27,377,150**	**4,740,170**

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2019

	Share capital	Exchange reserves	Accumulated profits	Total
	US$	US$	US$	US$
Balance at April 1, 2017	1,175,180	1,923	1,408,719	2,585,822
Net profit for the year, representing total comprehensive income for the year	-	-	4,740,170	4,740,170
Balance at March 31, 2018	1,175,180	1,923	7,438,572	8,615,675
Net profit for the year, representing total comprehensive income for the year	-	-	27,377,150	27,377,150
Balance at March 31, 2019	**1,175,180**	**1,923**	**33,526,039**	**34,703,142**

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS
Year ended March 31, 2019

	2019	2018
	US$	US$
Cash flows from operating activities		
Profit before income tax	28,933,056	5,208,125
Adjustments for:		
Interest expense (Note 17)	2,340,654	2,167,711
Depreciation expense (Note 11)	28,213	43,435
Net fair value loss on derivatives	9,623,806	6,834,674
Operating cash flows before working capital changes	**40,925,729**	**14,253,945**
Trade receivables	(233,075,047)	(201,429,658)
Other receivables and prepayments	(6,714,132)	(11,990,260)
Intercompany receivables - non trade	-	10,043,169
Inventories	27,990,217	(11,583,572)
Trade and other payables	155,751,639	214,495,831
Cash (used in)/generatedfrom operations	**(15,121,594)**	**13,789,455**
Interest paid	(2,340,654)	(2,167,711)
Income taxpaid	(102,524)	(467,955)
Net cash (used in) from operating activities	**(17,564,772)**	**11,153,789**
Cash flows from investing activity		
Purchase of fixed assets, representing net cash used in investing activity	(54,887)	-
Cash flows from financing activities		
Proceeds from short term borrowings	45,500,000	-
Payment of short term borrowings	(2,000,000)	(10,000,000)
Net cash from (used in) financing activities	43,500,000	(10,000,000)
Net increase in cash and cash equivalents	25,880,341	1,153,789
Cash and cash equivalents at the beginning of the year (Note 6)	3,406,765	2,252,976
Cash and cash equivalents at the end of the year (Note 6)	**29,287,106**	3,406,765

See accompanying notes to financial statement

Notes to Financial Statements March 31, 2019

GENERAL

The company (Registration No. 200816056M) is incorporated in Singapore with its principal place of business and registered office at #16-01 Raffles City Towers, 250 North Bridge Road, Singapore 179101. The financial statements are expressed in United States dollars.

The principal activities of the company are those of trading in crude oil, petroleum, petrochemicals and refined oil products. The company also acts as an agent for and on behalf of Reliance Group for the procurement of crude oil, sale of petroleum product, shipping and other related activities.

The financial statements of the company for the year ended March 31, 2019 were authorised for issue by the Board of Directors on April 17, 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2018, the company adopted all the new and revised FRSs that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company’s accounting policies and has no material effect on the amounts reported for the current or prior years except for the following:

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The company applied FRS 109 with an initial application date of April 1, 2018.

The significant accounting policies for financial instruments under FRS 109 is as disclosed in Note 2.

(a) Classification and measurement of financial assets and financial liabilities

The company has retrospectively applied the requirements of FRS 109 to instruments that have not been derecognised as at January 1, 2018 and has not applied the requirements to instruments that have already been derecognised as at January 1, 2018. The classification of financial assets is based on two criteria: the company’s business model for managing the assets and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding.

Notes to Financial Statements March 31, 2019

The company's trade receivables arise from contractual cash flows which vary based on the price of the oil commodity at maturity, and consequently do not give rise to cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, the company's trade receivables as at January 1, 2018, which were previously classified as "loans and receivables" and measured at amortized cost under FRS 39, will be classified as and mandatorily measured at fair value through profit or loss. However, as the trade receivables are contractually settled within a short tenor, any financial effects arising from the transition to FRS 109 are not expected to be material.

The following table shows the original measurement categories and carrying amounts under FRS 39 and the new measurement categories under FRS 109 for the company's financial assets and financial liabilities as at April 1, 2018.

	Original classification under FRS 39	New classification under FRS 109
Financial assets		
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade and other receivables	Loans and receivables	Fair value through profit or loss
Derivative financial instruments	Fair value through profit or loss	Fair value through profit or loss
Financial liabilities		
Trade payables	Amortised cost	Fair value through profit or loss
Other payables	Amortised cost	Amortised cost
Derivative financial instruments	Fair value through profit or loss	Fair value through profit or loss

(b) Impairment of financial assets

FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, FRS 109 requires the company to recognise a loss allowance for expected credit losses on its debt investments subsequently measured at amortised cost and other financial instruments to which the impairment requirements of FRS 109 apply ("in-scope" financial assets).

Due to the short-term tenor of the in-scope financial assets, the company does not consider any loss allowances on initial application of FRS 109 to be material.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS 18 *Revenue* and the related Interpretations. FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Details of these new requirements as well as their impact on the financial statements are described below.

FRS 115 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The company has adopted the terminology used in FRS 115 to describe such balances. The company's significant accounting policies for its revenue streams are disclosed below.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current or prior years.

STANDARDS ISSUED BUT NOT YET EFFECTIVE - At the date of authorisation of these financial statements, the following new/revised FRSs that are relevant to the company were issued but not effective:

- FRS 116 *Leases*[1]
- Amendments to FRS 1 and FRS 8: *Definition of Material*[2]

1 Applies to annual periods beginning on or after January 1, 2019, with early application permitted if FRS 115 is adopted.

2 Applies to annual periods beginning on or after January 1, 2020, with early application permitted

Consequential amendments were also made to various standards as a result of these new/revised standards.

Notes to Financial Statements March 31, 2019

The management anticipates that the adoption of the above FRSs and amendments to FRSs will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

FRS 116 *Leases*

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

As at March 31, 2019, the company has non-cancellable operating lease commitments as disclosed in Note 20. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of FRS 116, the company will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low-value, short-term leases or a possibility to exclude other lease agreements provided the effect of these exclusion will remain immaterial with regards to its financial statements.

Amendments to FRS 1 and FRS 8: *Definition of Material*

The pronouncement made clarification on the definition of 'material' in order to facilitate the exercise of judgement during the preparation financial statements, particularly when selecting the information to be presented in the Notes to the financial statements.

When preparing the financial statements, the company will assess the information whether the information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions made by the primary users of the company's general purpose financial statements.

The company will consider the characteristics of those users while made consideration of the company's own circumstances when determining material information to be disclosed in the financial statements.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Derivative financial instruments are measured at FVTPL as they include leverage which increases the variability of contractual cash flows and cannot be subsequently measured at amortised cost or fair value through other comprehensive income. In

Notes to Financial Statements March 31, 2019

particular, trade receivables where contractual cash flows vary based on oil commodity prices at maturity do not meet the SPPI conditions, and are subsequently measured at FVTPL.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses ("ECL") on receivables at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company generally recognises ECL for receivables at amortised cost. The expected credit losses on these financial assets are estimated based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers historical loss rates for each category of customers.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Notes to Financial Statements March 31, 2019

Definition of default

The company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term balances when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Notes to Financial Statements March 31, 2019

Derivative financial instruments

The company's activities expose it primarily to commodity price risk. The company uses derivative financial instruments such as oil-related futures and swaps to manage its risks associated with the changes in commodity prices. Further details of derivative financial instruments are disclosed in Note 8 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the date of each reporting period. Derivatives are presented on the statement of financial position as derivative receivables and derivative payables.

The resulting gain or loss arising from changes in the fair value of derivative financial instruments are recognised in profit or loss immediately in cost of sales.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The company does not designate its derivatives as hedging instruments for hedge accounting purposes.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of defaults, insolvency or bankruptcy.

INVENTORIES - Inventories comprising energy products are measured at fair value less costs to sell. The resulting gain or loss arising from changes in fair value is reported in cost of sales.

PLANT AND EQUIPMENT - Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a written down value basis over their estimated useful lives at the following rates:

Computer equipment	-	40.0 % per annum
Fixtures and fittings	-	18.1 % per annum
Other equipment	-	18.1 % per annum

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceed and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

IMPAIRMENT OF NON- FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to Financial Statements March 31, 2019

PROVISIONS - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product to a customer. The company has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

Sale of goods

The company recognises revenue from sale of petroleum products. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer. The company has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

Service income

Service charges represent invoiced value of expenditures incurred by the company plus mark up.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company’s liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable

Notes to Financial Statements March 31, 2019

profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States dollar, which is the functional currency of the company.

In preparing the financial statements, transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Cash and cash equivalents in the Statement of Cash Flows

Cash and cash equivalents comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the company's accounting policies

The management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

(ii) 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 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.

Notes to Financial Statements March 31, 2019

Estimation of the fair value of the inventories, physical forward contracts and derivative commodities contracts

The fair value of the inventories, physical forward contracts and derivative commodities contracts outstanding at the end of the reporting period, where market prices are not quoted and is subject to estimation uncertainty, is determined by using valuation techniques.

The company uses valuation models to determine the fair value based on relevant factors, including trade price quotations, time value and volatility factors underlying the commodities and commodity exchange price quotations and dealer quotations for similar commodities traded in different markets and geographical areas, existing at the end of the reporting period.

A sensitivity analysis of the impact on the company's profit or loss arising from changes in market price is set out on Note 4(c)(i) to the financial statements. The fair values of the inventories and physical forward and derivative commodities contracts are disclosed in Notes 10 and 8 to the financial statements respectively.

Notes to Financial Statements March 31, 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2019	2018
	US$	US$ (restated)
Financial assets		
Amortised cost:		
- Cash and cash equivalents	29,287,106	3,406,765
- Other receivables	23,839,871	17,154,221
	53,126,977	**20,560,986**
Mandatorily at FVTPL:		
- Trade receivables	613,875,047	380,800,000
- Derivative financial instruments	10,170,016	27,641,674
	624,045,063	**408,441,674**
Total financial assets	**677,172,040**	**429,002,660**
Financial liabilities		
Amortised cost:		
- Other payables	9,939,039	7,672,469
- Short term borrowings	43,500,000	-
	53,439,039	7,672,469
Mandatorily at FVTPL:		
- Trade payables	618,235,396	464,750,327
- Derivative financial instruments	23,817,702	31,665,554
Total financial liabilities	**695,492,137**	**504,088,350**

Notes to Financial Statements March 31, 2019

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

As at March 31, 2019 (US$)

Financial assets

	(a)	(b)	(c) = (a) + (b)	(d) Related amounts not set off in the statement of financial position		(e) = (c) + (d)
Type of financial assets	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Financial instruments	Cash collateral	Net amount
Cash margin with brokers (Note 9)	21,133,637	-	21,133,637	-	(13,647,686)	7,485,951
Derivative financial instruments (Note 8)	10,170,016	-	10,170,016	(10,170,016)	-	-

Financial liabilities

	(a)	(b)	(c) = (a) + (b)	(d) Related amounts not set off in the statement of financial position		(e) = (c) + (d)
Type of financial liabilities	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments	Cash collateral	Net amount
Derivative financial instruments (Note 8)	23,817,702	-	23,817,702	(10,170,016)	(13,647,686)	-

Notes to Financial Statements March 31, 2019

As at March 31, 2018 (US$)

Financial assets

	(a)	(b)	(c) = (a) + (b)	(d) Related amounts not set off in the statement of financial position		(e) = (c) + (d)
Type of financial assets	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Financial instruments	Cash collateral	Net amount
Cash margin with brokers (Note 9)	15,108,375	-	15,108,375	-	(4,023,880)	11,084,495
Derivative financial instruments (Note 8)	27,641,674	-	27,641,674	(27,641,674)	-	-

Financial liabilities

	(a)	(b)	(c) = (a) + (b)	(d) Related amounts not set off in the statement of financial position		(e) = (c) + (d)
Type of financial liabilities	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Financial instruments	Cash collateral	Net amount
Derivative financial instruments (Note 8)	31,665,554	-	31,665,554	(27,641,674)	(4,023,880)	-

(c) ***Financial risk management policies and objectives***

The company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the company. The ultimate holding company, provides principles for overall risk management and policies covering specific areas, such as, credit risk, foreign exchange risk, interest rate risk.Such policies are reviewed annually by the board of directors of the company and periodic reviews are undertaken by management to ensure that the policy guidelines are complied with.

The company uses a variety of derivative financial instruments to manage its exposure to market risk including commodity swaps and futures to hedge a particular risk associated with the tradereceivables and trade payables, and firm commitments to buy or sell goods.The company does not hold or issue derivative financial instruments for speculative purposes.

Notes to Financial Statements March 31, 2019

The main financial risks that the company is exposed to and how it manages these risks are set out below:

(i) Oil price risk

The company is exposed to the risk of fluctuating oil prices which are affected by a wide range of global and domestic factors which are beyond the control of the company.

The company engages in economic hedging activities with the objective of managing risks; it also takes trading positions. The company has formulated a risk management policy documenting, amongst other things, the scope of risk management, roles and responsibility and risk tolerance. The risk management policy covers price exposure arising from inventories which are non-financial instruments, and the trading of derivative financial instruments. Derivative transactions entered into for economic hedging purposes are monitored for appropriateness in terms of size, direction, and strategy. Under the risk management policy, all the derivative contracts have to be approved by the senior management of the company.

The company's derivative financial instruments are measured at fair value provided by financial institutions with reference to the quoted oil futures prices.

At the end of the reporting period, the carrying amount of inventories, net outstanding physical and financial derivatives positions, and trade receivables at FVTPL are as follows:

	2019	2018
	US$	US$ (restated)
a) Inventories (Note 10)	54,259,047	82,249,264
b) Positive fair value of outstanding financial derivatives positions (Note 8)	10,170,016	27,641,674
c) Negative fair value of outstanding financial derivatives positions (Note 8)	(23,817,702)	(31,665,554)
d) Trade receivables at FVTPL (Note 7)	613,875,047	380,800,000
e) Trade payables at FVTPL (Note 12)	(618,235,396)	(464,750,327)
Net	**36,251,012**	**(5,724,973)**

Price sensitivity analysis

The following table details the impact on the company's profit or loss as a result of a 5% change in the commodity prices.

If the commodity prices were to decrease by 5%, profit will (decrease) increase by:

	2019	2018
	US$	US$ (restated)
Inventories	**(2,712,952)**	(4,112,463)
Net outstanding financial derivatives positions (including physical forward contracts)	3,182,650	5,307,862
Net	**469,698**	1,195,399

For a 5% increase in the commodity prices, the profit or loss will (increase) decrease by the same amount as above.

No sensitivity analysis is performed on trade receivables/payables at FVTPL as these positions are generally entered back-to-back and are exposed to oil price exposures for a relatively short period of time.

(ii) Interest rate risk management

The company is exposed to limited interest rate risk.

No sensitivity analysis is prepared as the company does not expect any material effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on the deposits at the end of the reporting period.

Notes to Financial Statements March 31, 2019

(iii) Foreign exchange risk management

The company's revenue and purchases are mainly denominated in United States dollars.The exchange risk arises primarily from Singapore dollars, the currencies in which some services and administrative expenses are incurred.

At the end of the reporting period, the carrying amounts of financial instruments denominated in currencies other than the company's functional currency are as follows:

	2019		2018	
	S$	Others	S$	Others
	US$'000	US$'000	US$'000	US$'000
Financial assets				
Cash and cash equivalents	46	-	1,306	-
Trade receivables	5	-	45	-
Other receivables	110	-	72	-
Total 161	**-**	**1,423**	**-**	
Financial liabilities				
Trade and other payables	(1020)	(446)	(3,753)	(849)
Net	(859)	(446)	(2,330)	(849)

No sensitivity analysis is prepared as the company does not expect any material effect on the company's profit or loss arising from the effects of reasonably possible changes to exchange rates at the end of the reporting period.

(iv) Credit risk

The company's principal financial assets are cash and bank balances, trade and other receivables, derivative financial instruments, amounts due from related companies, immediate and intermediate holding companies and deposits placed with brokers.

The balances in the statement of financial position represent the company's maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its other receivables and amounts due from related companies and immediate holding company. The company has a few major customers resulting in concentration of credit risk. The top 5 largest customers and the largest customer of the company accounted for 59% and 20% (2018 :66% and 20%) respectively of the total receivables as at March 31, 2019. Management considers the credit risk to be low as these customers are large reputable corporations and there have been no historical default of payments by the respective customers. Further, credit risk for 76% (2018 : 86%) of top 5 customers is mitigated by irrevocable documentary letter of credit issued by A1/P1 rated bank.Further, the management has monitoring procedures to ensure that follow-up action is taken to monitor the recoverability of amounts due from related companies and immediate holding company. Accordingly, the management considers the credit risk to be low.

The carrying amount of the company's financial assets as disclosed in Note 4(a) best represents their respective maximum exposure to credit risk. The company holds no collateral over any of these balances. The company only has a carrying amount of USD 84,000 which are past due at the end of the reporting date, showing that their counterparties did carry out their obligation to pay and hence the non-performance risk is very low and Credit Value Adjustments (CVA) and Debit Value Adjustments (DVA) are immaterial.

Management considers the credit risk on liquid funds to be limited as these funds are placed with reputable banks

(v) Liquidity risk

Liquidity risk is managed by matching the payment and receipt cycle. The company's operations are financed mainly through equity and working capital arrangements.

Substantially all of financial assets and liabilities as at the end of the reporting period are repayable on demand or due within 12 months (2018 : 12 months) from the end of the reporting period.

The company's derivative financial assets and liabilities comprise futures and swap contracts which have settlement dates within 1 year from the end of the reporting period.

Notes to Financial Statements March 31, 2019

(vi) Fair value of financial assets and liabilities and derivative financial instruments

The company's trade receivables whose contractual cash flows do not represent solely payments of principal and interest on the principal outstanding, derivatives financial instruments and inventories are measured at fair value on a recurring basis.

Management considers that the carrying amounts of financial assets and financial liabilities of the company recorded at amortised cost in the financial statements approximate their respective fair value due to the relatively short term maturity of these financial instruments.

The fair values of financial assets and financial liabilities are determined as follows:

1. the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
2. the fair value of other financial assets and financial liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
3. the fair value of derivative instruments are determined using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives.

	Total	Level 1	Level 2	Level 3
	US$	US$	US$	US$
2019				
Financial assets				
Trade receivables (Note 7)	613,875,047	-	613,875,047	-
Derivative financial instruments (Note 8)	10,170,016	-	10,170,016	-
Financial liabilities				
Trade payables at FVTPL(Note 12)	618,235,396	-	618,235,396	-
Derivative financial instruments (Note 8)	23,817,702	-	23,817,702	-
2018 (restated)				
Financial assets				
Trade receivables (Note 7)	380,800,000	-	380,800,000	-
Derivative financial instruments (Note 8)	27,641,674	-	27,641,674	-
Financial liabilities				
Trade payables at FVTPL(Note 12)	464,750,327	-	464,750,327	-
Derivative financial instruments (Note 8)	31,665,554	-	31,665,554	-

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period.

(d) ***Capital management policies and objectives***

The company's objectives in managing its capital (the company's shareholder's fund) as a going concern includes preserving its overall financial health and strength for the benefit of all stakeholders and safeguarding its ability to continue generating sustainable long term profitability. The capital structure of the company consists of issued capital and accumulated profits.The company's overall strategy remains unchanged from 2018.

Notes to Financial Statements March 31, 2019

5 HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS

The company isa wholly-owned subsidiary of Reliance Industries Limited ("RIL"), incorporated in India. RIL is also the ultimate controlling entity.Related companies in these financial statements refer to members of the holding company's group of companies.

Many of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, and repayable on demand, unless otherwise stated.

Significant intercompany transactions are as follows:

	2019	2018
	US$	US$
Holding company		
Service charges earned	**564,200**	1,094,309
Purchases of goods	**(1,588,334,771)**	(906,116,806)
Recoveries (included in cost of sales)	**(242,351)**	(4,640,262)
Delayed payment interests (included in finance cost)	**(164,515)**	(986,077)
Early payment discount (included in other operating income)	**679,954**	271,360
Corporate guarantee fee paid	**(68,963)**	(43,461)
Pass through cost reimbursement	**42,000**	42,000
Sale of goods	**296,163**	-
Related company		
Service charges paid	**(3,031,003)**	(849,359)
Interest received on loan	**-**	9,112
Interest paid on loan	**(728,232)**	-
Service charges earned	**382,545**	531,179

Some of the company's transactions and arrangements and terms thereof are with related parties. The balances are unsecured, interest-free and repayable on demand, unless otherwise stated.

Compensation of directors and key management personnel

The remuneration of directors and key management during the period was as follows:

	2019	2018
	US$	US$
Short-term benefits	**5,193**	323,302

Key management comprises only the directors.

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals and market trends. Some of the the directors received remuneration from related corporations in their capacity as directors/executives of these related corporations.

6 CASH AND CASH EQUIVALENTS

	2019	2018
	US$	US$
Cash at bank	**29,287,106**	3,406,765

Notes to Financial Statements March 31, 2019

7 TRADE RECEIVABLES

	2019	2018
	US$	US$
Outside parties	613,016,143	377,639,806
Due from holding company (Note 5)	853,784	3,115,231
Due from related companies (Note 5)	5,120	44,963
Total	**613,875,047**	**380,800,000**

The average credit period on sale of goods or services is 30days (2018: 30 days). Amounts due from holding company are unsecured with credit period of 60 days. No interest is charged on the outstanding balance if paid within the credit period.

Included in the company's trade receivable balance are debtors with a carrying amount of US$84,000 (2018: US$1,033,623) which are past due at the end of reporting period for which the company has not provided as there has not been a significant change in credit quality.

The average age of these receivables are as follows:

	2019	2018
	US$	US$
61 days to 90 days	42,000	1,033,623
90 days and above	42,000	-
	84,000	1,033,623

8 DERIVATIVES RECEIVABLE AND DERIVATIVES PAYABLE

The table below sets out the notional principal amounts and the positive and negative fair values of the outstanding derivative financial instruments as at the end of the reporting year:

	Notional amount	Gross positive fair value	Gross negative fair value	Net fair value Gain(loss)
	US$	US$	US$	US$
2019				
Physical Forwards	65,840,000	134,500	-	134,500
Commodity swaps	570,089,900	6,622,128	(14,269,947)	(7,647,819)
Commodity futures	485,711,054	3,413,388	(9,547,755)	(6,134,367)
Total	**1,121,640,954**	**10,170,016**	**(23,817,702)**	**(13,647,686)**
2018				
Physical forwards	64,727,500	3,262,500	-	3,262,500
Commodity swaps	895,701,671	21,708,728	(26,012,071)	(4,303,343)
Commodity futures	241,881,718	2,670,446	(5,653,483)	(2,983,037)
Total	**1,202,310,889**	**27,641,674**	**(31,665,554)**	**(4,023,880)**

All derivative financial instruments mature within 12 months from the reporting date.

Notes to Financial Statements March 31, 2019

9 OTHER RECEIVABLES AND PREPAYMENTS

	2019	2018
	US$	US$
Current:		
Cash margin with brokers	21,133,637	15,108,375
Demurrage receivables	2,552,165	1,783,665
Prepayments	68,651	40,169
Others	43,787	158,925
	23,798,240	17,091,134
Non-current:		
Deposits	**110,282**	103,256
Total23,908,523	**17,194,390**	

10 INVENTORIES

	2019	2018
	US$	US$
Inventories, at fair value	**54,259,047**	82,249,264

Inventories at reporting date represent petroleum products.Management considers the company to be a commodity trader. The company's inventories are stated at fair value as allowed under FRS 2 *Inventories*. For financial reporting purposes, the company classifies fair value measurement of inventories in accordance with Note 4(vi).The fair value measurement for inventories is classified as Level 2 at March 31, 2019 and March 31, 2018.

11 PLANT AND EQUIPMENT

	Fixtures and fittings	**Computer equipment**	**Office equipment**	**Total**
	US$	US$	US$	US$
Cost:				
At April 1, 2017 and March 31, 2018	210,113	320,259	97,935	628,307
Additions	-	54,887	-	54,887
At March 31, 2019	210,113	375,146	97,935	683,194
Accumulated depreciation:				
At April 1, 2017	170,740	256,517	35,365	462,622
Depreciation for the year	7,127	25,497	10,812	43,436
At March 31, 2018	177,867	282,014	46,177	506,058
Depreciation for the year	5,837	15,298	7,078	28,213
At March 31, 2019	183,704	297,312	53,255	534,271
Carrying amount:				
At March 31, 2018	32,246	38,245	51,758	122,249
At March 31, 2019	26,409	77,834	44,680	148,923

Notes to Financial Statements March 31, 2019

12 TRADE AND OTHER PAYABLES

	2019	2018
	US$	US$
Trade payables due to outside parties	596,415,354	319,510,353
Trade payables due to immediate holding company (Note 5)	21,565,367	144,390,615
Trade payables due to related company (Note 5)	486,007	849,359
Other payables	42,387	29,143
Accruals	9,665,320	7,643,226
	628,174,435	472,422,796

The average credit period on purchases of oil is 30 days (2018: 30 days). No interest is charged on the payment made within due date. Once payment is overdue, interest is payable on LIBOR linked rates. The borrowing was fully repaid during the year.

13 SHORT TERM BORROWINGS

	2019	2018
	US$	US$
Short term borrowings	**43,500,000**	-

The short term borrowing is being provided by a related party for a maximum tenure of 12 months at an interest rate of 0.45 percent plus one month LIBOR.

Reconciliation of liabilities arising from financing activities

The table below details changes in the company's liability arising from financing activities, including both cash and non-cash changes. Liability arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the company's statement of cash flows as cash flows from financing activities.

	2019	2018
	US$	US$
Balance at beginning of the year	-	-
Borrowings during the year	43,500,000	-
Balance at the end of the year	43,500,000	-

14 SHARE CAPITAL

	2019	2018	**2019**	2018
	Number of ordinary shares		**US$**	US$
Issued and fully paid up:				
At the beginning and the end of the year	**1,500,000**	1,500,000	**1,175,180**	1,175,180

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

15 REVENUE

	2019	2018
	US$	US$
Sale of goods	7,981,313,485	4,633,571,455
Service charges	847,450	1,625,489
	7,982,160,935	**4,635,196,944**

Notes to Financial Statements March 31, 2019

16 OTHER OPERATING EXPENSES, NET

	2019	2018
	US$	US$
Office rental	309,329	299,757
Legal and professional fees	170,725	169,606
Subscription fees	190,129	136,526
Net foreign exchange(gains)losses	(85,357)	187,490
Business promotion expenses	2,985,015	1,000,718
Others	332,490	307,620
	3,902,331	**2,101,717**

17 FINANCE COST

	2019	2018
	US$	US$
Interest expense	2,340,654	2,167,711
Finance/Bank charges	317,829	349,555
	2,658,483	**2,517,266**

18 PROFITFOR THE YEAR

Profit for the year has been arrived at after charging the following:

	2019	2018
	US$	US$
Directors' remuneration	5,193	323,302
Staff costs	3,381,476	3,304,520
Cost of defined contribution plans included in staff cost	67,688	57,552
Cost of inventories recognised as expenses	7,886,152,099	4,598,002,801
Other charges	51,588,781	19,564,548
Tank hire charges	6,668,942	4,944,664

19 INCOME TAX

	2019	2018
	US$	US$
Underprovision in prior years	**109,254**	467,955

The income tax expensevaried from the amount of tax expensedetermined by applying the Singapore tax rate of 17% (2018 : 17%) to profit before tax as a result of the following differences:

	2019	2018
	US$	US$
Profit before income tax	28,933,056	5,208,125
Income tax expense at statutory rate of 17%	4,918,619	885,381
Effect of concessionary tax rate	(3,471,967)	(624,975)
Under provision of tax in prior years	109,254	467,955
Effect of tax benefits	-	38,825
Utilisation of tax assets previously not recognised	-	(299,231)
Total income tax expense	**1,555,906**	467,955

The company has been awarded the Global Trader Programme Status ("GTP") in Singapore for a period of 5 years effective from November 1, 2014. Under the GTP Status, qualifying income is taxed at a concessionary tax rate of 5%.

Notes to Financial Statements March 31, 2019

20 OPERATING LEASE COMMITMENTS

	2019	2018
	US$	US$
Minimum lease payments paid under operating leases recognised as expense in the year, net of recoveries	7,179,272	5,493,104

At the end of the reporting period, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	US$	US$
Within one year	8,712,611	8,074,320
Within the next two to five years	11,215,295	203,660
	19,927,906	**8,277,980**

Operating lease payments represent rentals payable by the company for its office and employees' residential properties and storage facility. Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.