RELIANCE INTERNATIONAL LIMITED

Financial Statements

For the period
16 June 2021 to 31 March 2022

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RELIANCE INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Reliance International Limited ("the Company"), which comprise the statement of financial position as at 31 March 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 16 June 2021 (inception) to 31 March 2022, then ended, and notes to the financial statements, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance and its cash flows for the period from 16 June 2021 (inception) to 31 March 2022, then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the United Arab Emirates**,** and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Director's report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RELIANCE INTERNATIONAL LIMITED (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, Abu Dhabi Global Market Regulations 2015, and the Articles of Association of the Company, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Those charged with governance are responsible for 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 ISAs 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 ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RELIANCE INTERNATIONAL LIMITED (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance 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

Further, as required by the provisions of the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, Companies Regulations (International Accounting Standards) Rules 2015 and General Rulebook of the Financial Services Regulatory Authority (the "Regulations"), we report that:

- The financial statements of the Company have been prepared in accordance with the requirements of the said rules and Regulations;
- Adequate accounting records have been kept by the Company; and
- The Company's financial statements are in agreement with the accounting records.

Deloitte & Touche (M.E.) LLP

Georges F. Najem
05 May 2022
Abu Dhabi
United Arab Emirates

RELIANCE INTERNATIONAL LIMITED

Statement of financial position
as at 31 March 2022

	Notes	USD
ASSETS		
Non-current assets		
Property and equipment	**4**	**81,648,902**
Intangible assets		**3,731**
Long-term advances		**54,455**
Total non-current assets		**81,707,088**
Current assets		
Trade receivables	**5**	**388,306,045**
Prepayments and advances	**6**	**2,892,716**
Cash and cash equivalents	**7**	**29,385,176**
Total current assets		**420,583,937**
Total assets		**502,291,025**
EQUITY AND LIABILITIES		
Equity		
Share capital	**9**	**25,000,000**
Retained earnings		**2,191,077**
Total equity		**27,191,077**
Non-current liability		
Provision for employees' end of service benefit		**24,502**
Current liability		
Trade and other payables	**10**	**475,075,446**
Total liabilities		**475,099,948**
Total equity and liabilities		**502,291,025**

Mr. Nimish Goel
Sole Director

Mr. Shashi Kumar Goyal
Chief Financial Officer

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

RELIANCE INTERNATIONAL LIMITED

Statement of profit or loss and other comprehensive income for the period from 16 June 2021 (inception) to 31 March 2022

	Notes	USD
Revenue from operations	11	3,872,098,600
Cost of goods sold		(3,867,456,484)
Gross profit		4,642,116
Other income		1,398,370
Employee benefits and expenses	12	(1,840,872)
Finance cost	13	(877,717)
General and administrative expenses	14	(1,158,507)
Net foreign exchange loss		27,687
Profit for the period		2,191,077
Other comprehensive income		-
Total comprehensive profit for the period		2,191,077

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

RELIANCE INTERNATIONAL LIMITED

Statement of changes in equity
for the period from 16 June 2021 (inception) to 31 March 2022

	Share capital USD	**Retained earnings USD**	**Total equity USD**
Share capital introduced	1,000,000	-	1,000,000
Share capital issued	24,000,000	-	24,000,000
Total comprehensive profit for the period	-	2,191,077	2,191,077
Balance at 31 March 2022	**25,000,000**	**2,191,077**	**27,191,077**

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

RELIANCE INTERNATIONAL LIMITED

Statement of cash flows
for the period from 16 June 2021 (inception) to 31 March 2022

	USD
Cash flows from operating activities	
Profit for the period	**2,191,077**
Adjusted for	
Depreciation of property and equipment	**2,702**
Amortisation of intangible assets	**625**
Other income	**(1,398,370)**
Finance cost	**877,717**
Provision for employees' end of service benefit	**24,502**
Operating cash flows before movements in working capital	**1,698,253**
Change in trade receivables	**(388,306,045)**
Change in loans and advances	**(2,947,171)**
Change in trade and other payables	**476,473,816**
Net cash generated from operating activities	**86,918,853**
Cash flows from investing activity	
Purchase of property and equipment	**(81,651,604)**
Purchase of intangible asset	**(4,356)**
Net cash used in investing activities	**(81,655,960)**
Cash flows from financing activities	
Issuance of share capital	**25,000,000**
Interest paid	**(877,717)**
Net cash generated from financing activities	**24,122,283**
Net increase in cash and cash equivalents	**29,385,176**
Cash and cash equivalents at the beginning of the period	**-**
Cash and cash equivalents at the end of the period	**29,385,176**

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

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022

1 General information

Reliance International Limited (the "Company") is a private company limited by shares and is registered in the Abu Dhabi Global Market ("ADGM") under Companies Regulations 2020 on 16 June 2021 with registration number of 000005832.The registered office is DD-15-134-004 – 007, Level 15, WeWork Hub71, Al Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates,PO Box no. - 94509.

The principal activities of the Company include trading of crude oil, petroleum products, petrochemicals and agriculture commodities.

2 Summary of significant accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of preparation

These financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Revenue recognition

The Company has applied the following accounting policy in the preparation of its financial statements.

For contracts determined to be within the scope of revenue recognition, the Company is required to apply a five-step model to determine when to recognise revenue, and at what amount. Revenue is measured based on the consideration to which the Company expects to be entitled 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 recognises revenue from contracts with customers based on the five step model set out in IFRS 15:

Step 1: Identify the contract(s) with a customer
A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract
A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Step 3: Determine the transaction price
The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract
For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation
The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as and when the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company recognise revenue from the following sources:

- trading of crude oil, petroleum and petrochemical product and refined oil products; and
- other income such as dividend/interest earned.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer. The Company recognises revenue when it transfers control of a product or service to a customer.

Trading of crude oil, petroleum and petrochemical product and refined oil products

For trading of crude oil, petroleum and petrochemical product and refined oil products, revenue is recognised when control of the goods has transferred. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Company when the goods are delivered to the Customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Other income

Other income generated outside the Company's normal business operation is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Capital work-in-progress

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the asset including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment or intangible assets category and is depreciated or amortised in accordance with the Company's accounting policy.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of the asset.

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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Functional and presentational currency

<u>Functional and presentational currency</u>

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in US Dollar ("USD"), which is the Company's functional and presentation currency.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

2 Summary of significant accounting policies (continued)

Functional and presentational currency (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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. Translation differences on monetary financial assets and liabilities are recognised in profit or loss as part of the other income net.

Financial instruments

Financial assets and financial liabilities are recognised in 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 fair 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 the statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at amortised cost since the Company does not currently have any assets measured at fair value.

Debt instruments designated at amortised cost

Debt instruments that meet the following conditions are measured subsequently 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 on the principal amount outstanding.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

2 Summary of significant accounting policies (continued)

Financial instruments (continued)

Amortised cost and effective interest rate method

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.

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.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. 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 always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix 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.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

2 Summary of significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if 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.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) 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 both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

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.

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:

- The financial instrument has a low risk of default,
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- 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.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

2 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) 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. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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.

(iv) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

2 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

3 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in note 2, management of the Company has made certain judgments, estimates and assumptions 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. Revision to accounting estimates are recognised in the period of the revision 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. The significant judgments and estimate made by management are summarised as follows:

Critical judgment in applying accounting policies

The following are critical judgments, apart from those involving estimations made by management in the process of applying the Company's accounting policies and have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In determining whether the Company is acting as a principal or as an agent with its customer, a related party, management considered the detailed criteria for the recognition of revenue in accordance with IFRS 15. This require an assessment of whether the Company has exposure to the significant risks and rewards associated with the sale of goods. After an assessment of the relevant factors, management and the directors of the Company have concluded that the arrangement with customer exposes the Company to the significant risks and rewards associated with the sale of goods and the recognition of the revenue in accordance with the Company's role as a principal rather than agent is appropriate and in accordance with IFRS 15.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

4 Property and equipment

	Computer and office equipment USD	Capital work in progress USD	Total USD
Cost			
At inception	-	-	-
Additions	20,514	81,631,090	81,651,604
At 31 March 2022	**20,514**	**81,631,090**	**81,651,604**
At inception	-	-	-
Charge for the year	2,702	-	2,702
At 31 March 2022	**2,702**	**-**	**2,702**
Carrying amount at 31 March 2022	**17,812**	**81,631,090**	**81,648,902**

Capital work in progress relates a corporate building purchased during the period which is undergoing renovations prior to its intended use.

5 Trade receivables

	2022 USD
Trade receivable	**281,176,129**
Receivable from related party	**107,129,916**
	388,306,045

At 31 March 2022, the Company had a significant concentration of credit risk with two customers, excluding related party, accounting for 44.36% of trade receivables outstanding at that date. Management is confident that this concentration of credit risk will not result in any loss to the Company.

6 Prepayments and advances

	2022 USD
Prepaid insurance	**66,167**
Advance to suppliers	**2,826,549**
	2,892,716

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

7 Cash and cash equivalents

Balances with cash and cash equivalents included in the statement of financial position are as follows:

	2022 USD
Cash at bank	**29,385,176**
	29,385,176

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

8 Related parties

Related parties comprise the Shareholder, key management personnel and entities in which the Shareholder have the ability to control or exercise significant influence in the financial and operational decisions.

(a) Related party transactions

	Period from 16 June 2021 (inception) to 31 March 2022 USD
Sale of product	**251,748,709**
Purchase of product	**3,616,139,696**
Establishment expense and professional fees	**269,220**
Other borrowing cost	**205,328**
Interest received	**1,398,370**
Share capital subscription (note 9)	**25,000,000**

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

8 Related parties (continued)

(b) Related party balances

Balances due from / (to) other related parties include the following:

	2022 USD
Reliance Industries Limited – trade receivable (note 5)	**107,129,916**
Reliance Industries Limited – advance to supplier (note 6)	**2,642,936**
Reliance Industries Limited – trade payable (note 10)	**358,003,002**
Reliance Projects & Property Management Services Limited (note 10)	**269,220**

9 Share capital

The authorised share capital of the Company is USD 25,000,000 divided into 25,000,000 shares of USD 1 each.

	31 March 2022		
	Number of shares	Amount USD	Ownership percentage
Reliance Industries Limited	**25,000,000**	**25,000,000**	**100%**

10 Trade and other payables

	2022 USD
Trade payable	**107,005,353**
Payable to related party	**358,003,002**
Advances from customers	**9,086,198**
Other payables	**980,893**
	475,075,446

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

11 Revenue from operations

	Period from 16 June 2021 (inception) to 31 March 2022 USD
Sale of products	**3,872,098,600**
	3,872,098,600

12 Employee benefits and expenses

	Period from 16 June 2021 (inception) to 31 March 2022 USD
Salaries and wages	**1,680,077**
Medical insurance and related expenses	**160,795**
	1,840,872

13 Finance cost

	Period from 16 June 2021 (inception) to 31 March 2022 USD
Interest on bills discounted	**447,763**
Forfaiting Charges	**224,626**
Commission on guarantee	**205,328**
	877,717

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

14 General and administrative expenses

	Period from 16 June 2021 (inception) to 31 March 2022 USD
Professional fees	**530,613**
Travelling expense	**436,122**
Employee welfare expense	**87,998**
Selling and distribution expenses	**37,575**
Seminar and stationary expense	**22,739**
Bank charges	**14,268**
Electricity expense	**11,189**
Telephone expense	**5,783**
Depreciation and amortization expenses	**3,327**
Other expenses	**8,893**
	1,158,507

15 Financial instruments

15.1 Capital management

The Company manages its capital to ensure to be able to continue as a going concern while maximising the return on equity. The Company does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives. The Company is not subject to any externally imposed capital requirements.

15.2 Financial risk management objectives

The Company is exposed to the following risks related to financial instruments - credit risk, liquidity risk, interest risk and foreign currency risk. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative or risk management purposes.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

15 Financial instruments (continued)

15.2 Financial risk management objectives (continued)

15.2.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company, and arises principally from the Company's trade receivables and other current assets (excluding advances and prepayments) and bank balances.

The Company's exposure to credit risk is not considered to be significant since majority of the receivables are with a related party. At the end of the reporting period, trade receivables and other current assets (excluding advances and prepayments) and due from related parties are concentrated to related parties. The balances with banks are assessed to have low credit risk of default since the banks are among the major banks operating in the UAE and are highly regulated by the central bank. The following table shows the balances held with banks at the reporting date, based on Moody's rating:

	2022
	USD
Bank rated	
A+	**25,804,943**
AA-	**3,580,233**
	29,385,176

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of each reporting period was:

	2022
	USD
Trade receivables and other current assets (excluding advances and prepayments)	**388,306,045**
Bank balances	**29,385,176**
	417,691,221

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

15.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the period from 16 June 2021 (inception) to 31 March 2022 (continued)

15 Financial instruments (continued)

15.2 Financial risk management objectives (continued)

15.2.2 Liquidity risk (continued)

The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The following are the contractual maturities including estimated payments of financial liabilities:

	Current Less than 1 year USD	Non-current Greater than 1 year USD
31 March 2022		
Trade and other payables (excluding advance from customer)	**465,968,093**	**-**
	465,968,093	**-**

15.2.3 Currency risk

A majority of the Company's transactions are in USD or currencies that are pegged to the USD (AED) and therefore the Company is not exposed to significant foreign currency risks.

15.3 Fair value measurements

Management considers that the fair values of financial assets and financial liabilities approximate their carrying amounts as stated in the financial statements.

16 Approval of the financial statements

These financial statements were approved by the Director and authorised for issue on 26 April 2022.