RELIANCE INTERNATIONAL LIMITED

Financial Statements
2022-23

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 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 31 March 2023, 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 2023, and its financial performance and its cash flows for the year ended 31 March 2023, 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 ("ADGM") Companies Regulations 2020, Companies Regulations (International Accounting Standards) Rules 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

As required by the provisions of the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015 (the "Regulations"), we report that:

- the financial statements of the Company have been prepared in accordance with the requirements of the 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

Farhad Bin Aklas

17 July 2023
Abu Dhabi
United Arab Emirates

RELIANCE INTERNATIONAL LIMITED

Statement of financial position
as at 31 March 2023

	Notes	2023 USD'000	2022 USD'000
ASSETS			
Non-current assets			
Property and equipment	**5**	**84,339**	81,649
Right of use asset	**6**	**942**	-
Intangible assets		**3**	4
Long-term advances	**7**	**2,334**	54
Total non-current assets		**87,618**	81,707
Current assets			
Inventories	**8**	**8,991**	-
Trade receivables	**9**	**1,041,030**	388,306
Prepayments and advances	**10**	**1,495,503**	2,893
Cash and cash equivalents	**11**	**7,896**	29,385
Total current assets		**2,553,420**	420,584
Total assets		**2,641,038**	502,291
EQUITY AND LIABILITIES			
Equity			
Share capital	**13**	**25,000**	25,000
Retained earnings		**47,216**	2,191
Total equity		**72,216**	27,191
Non-current liability			
Lease liabilities	**6**	**569**	-
Provision for employees' end of service benefit		**346**	25
Total non-current liabilities		**915**	25
Current liability			
Lease liabilities	**6**	**379**	-
Trade and other payables	**14**	**2,567,528**	475,075
Total current liabilities		**2,567,907**	475,075
Total liabilities		**2,568,822**	475,100
Total equity and liabilities		**2,641,038**	502,291

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 year ended 31 March 2023

	Notes	**For the year ended 31 March 2023 USD'000**	For the period from 16 June 2021 (inception) to 31 March 2022 USD'000
Revenue from operations	**15**	**30,844,253**	3,872,099
Cost of goods sold	**16**	**(30,743,984)**	(3,866,058)
Gross profit		**100,269**	6,041
Other income		**325**	-
Employee benefits and expenses	**17**	**(11,392)**	(1,841)
Finance cost	**18**	**(30,192)**	(878)
General and administrative expenses	**19**	**(13,688)**	(1,159)
Net foreign exchange loss		**(297)**	28
Profit for the period		**45,025**	2,191
Other comprehensive income		-	-
Total comprehensive profit for the period		**45,025**	2,191

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

RELIANCE INTERNATIONAL LIMITED

Statement of changes in equity
for the year ended 31 March 2023

	Share capital USD'000	Retained earnings USD'000	Total equity USD'000
Share capital introduced	1,000	-	1,000
Share capital issued	24,000	-	24,000
Total comprehensive profit for the period	-	2,191	2,191
Balance at 1 April 2022	25,000	2,191	27,191
Total comprehensive profit for the year	-	45,025	45,025
Balance at 31 March 2023	**25,000**	**47,216**	**72,216**

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

RELIANCE INTERNATIONAL LIMITED

Statement of cash flows
for the year ended 31 March 2023

	For the year ended 31 March 2023	For the period from 16 June 2021 (inception) to 31 March 2022
	USD'000	USD'000
Cash flows from operating activities		
Profit for the period	**45,025**	2,191
Adjusted for		
Depreciation of property and equipment	**4,009**	3
Amortisation of right of use asset	**65**	-
Amortisation of intangible assets	**1**	-
Other income	**(325)**	-
Finance cost	**30,192**	878
Provision for employees' end of service benefit	**321**	25
Operating cash flows before movements in working capital	**79,288**	3,097
Change in trade receivables	**(652,724)**	(388,306)
Change in loans and advances	**(1,494,890)**	(2,947)
Change in trade and other payables	**2,092,453**	475,075
Change in inventories	**(8,991)**	-
Net cash generated from operating activities	**15,136**	86,919
Cash flows from investing activity		
Purchase of property and equipment	**(6,699)**	(81,652)
Purchase of intangible asset	**-**	(4)
Net cash used in investing activities	**(6,699)**	(81,656)
Cash flows from financing activities		
Issuance of share capital	**-**	25,000
Repayment of lease liability – principal	**(59)**	-
Other income received	**325**	-
Finance cost paid	**(30,192)**	(878)
Net cash used in/(generated from) financing activities	**(29,926)**	24,122
Net (decrease)/increase in cash and cash equivalents	**(21,489)**	29,385
Cash and cash equivalents at the beginning of the period	**29,385**	-
Cash and cash equivalents at the end of the period	**7,896**	29,385

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

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

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 Unit 3-5, Level 27, Al Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, United Arab Emirates, PO Box - 94509.

The principal activities of the Company include proprietary investment; activities of holding companies; treasury planning and operations; proprietary asset management; activities of head offices; agricultural crop trading; wholesale of solid, liquid and gaseous fuels and related products; wholesale of petrochemical material trading.

The Company did not purchase any shares during the financial year ended 31 March 2023

2 Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New and revised IFRSs applied with no material effect on the financial statements

The number of new and revised IFRSs, which became effective for annual periods beginning on or after 1 April 2023, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2.2 New and revised IFRS in issue but not yet effective

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	**Effective for annual periods beginning on or after**
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided

The above stated new standards and amendments are not expected to have any significant impact on financial statement of the Company.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the financial statement of the Company.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies

Accounting convention

The financial statements have been prepared on the historical cost basis except for financial asset carried at fair value through other comprehensive income. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Statement of compliance

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

Functional and presentation currency

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. All values are rounded to the nearest thousand (USD'000) except where otherwise stated.

<u>Transactions and balances</u>

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.

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.

Revenue recognition

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.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Revenue recognition (continued)

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.

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 year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (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.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, (if any). Cost includes the cost of replacing part of the items of property and equipment when that cost is incurred and borrowing costs, if the recognition criteria are met. If significant parts of an item of property and equipment have different useful lives than they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the items of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the diminishing balance method over their estimated useful lives and is recognised in profit or loss.

The estimated average useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Building	60
Computer & office equipment	4
Furniture & fixtures	10
Vehicles	8

Depreciation methods, useful lives and residual values are reviewed at each reporting period date and adjusted if appropriate. The carrying amounts are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed these estimated recoverable amounts, assets are written down to their recoverable amounts, being the higher of their fair values less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Allowances are made for slow moving and obsolete inventories on the basis of assessment of obsolescence and future use.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

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.

Leases

The Company as lessee
The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

3 Significant accounting policies (continued)

Leases (continued)

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Company applies IAS36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the ‘Property, plant and equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line ‘Other expenses’ in the statement of profit or loss.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

Employees’ end of service benefits

The Company provides end of service benefits to its employees. The entitlement to these benefits is usually based on the employees’ length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. An accrual is made for the estimated liability for employees’ entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service benefit is disclosed as a non-current liability.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

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.

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.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Debt instruments designated at amortised cost (continued)

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.

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.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(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 year ended 31 March 2023 (continued)

3 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 year ended 31 March 2023 (continued)

3 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 year ended 31 March 2023 (continued)

4 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.

Classification of property, plant and equipment

In determining whether property purchased in the prior year (refer to note 5) should be treated as an investment property or property, plant and equipment, judgment was required to determine the future use of the business. As the property is intended to be used for the purpose of hosting client and carrying out business meetings, management has concluded that the classification of the building as per IAS 16 *Property, Plant and Equipment* is appropriate. Had management determined the property is to be used for capital appreciation or rental income, the property would have been classified as an investment property in the statement of financial position.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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:

Impairment of non-financial assets – indicators of impairment

Management determines at each reporting date whether there are any indicators of impairment relating to the Company's property, plant and equipment, or intangible assets. A broad range of internal and external factors is considered as part of the indicator review process.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

4 Critical accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty (continued)

Calculation of loss allowance

When measuring expected credit loss (ECL) the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements .

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Company uses estimates for the computation of loss rates. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Receivables factoring

Receivables factoring, or invoice discounting involves the sale of trade receivables (at a discount) to a factoring company in exchange for the rights to cash collected from those receivables. Upon transfer of substantially all the risk and rewards of the receivables the asset is derecognized by the seller. Management determines that, upon sale of trade receivables, the contractual rights to the cash flows from the financial asset expire and the transfer qualifies for derecognition.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

5 Property and equipment

	Building	Furniture & fixtures	Vehicles	Computer & office equipment	Capital work in progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost						
16 June 2021	-	-	-	-	-	-
Additions	-	-	-	21	81,631	81,652
1 April 2022	-	-	-	21	81,631	81,652
Additions	-	3,803	798	175	1,923	6,699
Transfer	83,554	-	-	-	(83,554)	-
At 31 March 2023	**83,554**	**3,803**	**798**	**196**	**-**	**88,351**
Depreciation						
16 June 2021	-			-	-	-
Charge for the period	-			3	-	3
1 April 2022	-			3	-	3
Charge for the year	3,200	536	228	45		4,009
At 31 March 2023	3,200	536	228	48	-	4,012
Carrying amount at 31 March 2023	**80,354**	**3,267**	**570**	**148**	**-**	**84,339**
Carrying amount at 31 March 2022	-			18	81,631	81,649

Additions in the prior year relate to a property purchased in Dubai for the purpose of hosting and entertaining clients as well as carrying out business meetings on site.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

6 Right of use assets and lease liabilities

The Company leases office space in the UAE. The average lease terms of the right-of-use assets is 2 years and 4 months.

	Right of use assets USD'000	Lease liabilities USD'000
At 1 April 2022	-	-
Addition during the year	1,007	1,007
Interest on lease liability (note 18)	-	12
Amortization for the year	(65)	-
Payment of lease liabilities during the year		(71)
At 31 March 2023	**942**	**948**

The maturity profile of lease liability is as follows:

	31 March 2023 USD'000	31 March 2022 USD'000
Current	**569**	-
Non – current	**379**	-
At 31 March 2023	**948**	**-**

7 Long Term Advance

	31 March 2023 USD'000	31 March 2022 USD'000
Security deposits	**2,334**	54
	2,334	54

8 Inventories

	31 March 2023 USD'000	31 March 2022 USD'000
Fuel/bunker	**8,991**	-
	8,991	**-**

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements for the year ended 31 March 2023 (continued)

9 Trade receivables

	31 March 2023 USD'000	31 March 2022 USD'000
Trade receivables	**339,352**	281,176
Receivable from related party (note 12)	**701,678**	107,130
	1,041,030	388,306

10 Prepayments and advances

	31 March 2023 USD'000	31 March 2022 USD'000
Advance to a related party (note 12)	**1,477,110**	2,643
Advance to suppliers	**18,387**	184
Prepaid insurance	**6**	66
	1,495,503	**2,893**

11 Cash and cash equivalents

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

	31 March 2023 USD'000	31 March 2022 USD'000
Cash at bank	**7,896**	29,385

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.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

12 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

	For the year ended 31 March 2023 USD'000	For the period from 16 June 2021 (inception) to 31 March 2022 USD'000
Sale of products (note 15)	**10,526,009**	251,749
Purchase of products	**29,528,210**	3,616,140
Establishment expense and professional fees	**292**	270
Other borrowing cost	**459**	205
Interest received on customer dues	**168**	1,398
Share capital subscription	**-**	25,000

(b) Related party balances

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

	31 March 2023 USD'000	31 March 2022 USD'000
Trade receivables (note 9)		
Reliance Global Energy Services Limited *(entity under common control)*	**443,578**	
RIL USA, Inc *(entity under common control)*	**168,560**	-
Reliance Industries Limited *(shareholder)*	**87,517**	107,130
Reliance New Solar Energy Limited *(entity under common control)*	**1,703**	-
Reliance Retail Limited *(entity under common control)*	**320**	-
	701,678	107,130
Advance to supplier (note 10)		
Reliance Industries Limited *(shareholder)*	**1,477,110**	2,643

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

12 Related parties

(b) Related party balances (continued)

	31 March 2023 USD'000	31 March 2022 USD'000
Trade payables (note 14)		
Reliance Industries Limited *(shareholder)*	**964,038**	358,003
Reliance Retail Limited *(entity under common control)*	**455**	-
Jio Platforms limited *(entity under common control)*	**59**	-
Reliance Projects & Property Management Services Limited *(entity under common control)*	**-**	269
	964,552	358,272

13 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 and 2023		
	Number of shares	**Amount USD'000**	**Ownership percentage**
Reliance Industries Limited	**25,000**	**25,000**	**100%**

14 Trade and other payables

	31 March 2023 USD'000	31 March 2022 USD'000
Trade payables	**104,141**	107,005
Payable to related party (note 12)	**964,552**	358,272
Advances from customers*	**1,487,756**	9,086
Other payables	**11,079**	712
	2,567,528	**475,075**

*of the total balance at the end of year, USD 1,477,000 is received for the sale of refining products which represents 99% of the total balance.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements for the year ended 31 March 2023 (continued)

15 Revenue from operations

	For the year ended 31 March 2023 USD’000	For the period from 16 June 2021 (inception) to 31 March 2022 USD’000
Sale of products to related parties (note 12)	**10,526,009**	251,749
Sale of products to third parties	**20,318,244**	3,620,350
	30,844,253	3,872,099

16 Cost of Goods Sold

	For the year ended 31 March 2023 USD’000	For the period from 16 June 2021 (inception) to 31 March 2022 USD’000
Purchase and other related cost	**30,722,360**	3,866,058
Freight and related cost	**21,528**	-
Insurance cost	**96**	-
	30,743,984	3,866,058

17 Employee benefits and expenses

	For the year ended 31 March 2023 USD’000	For the period from 16 June 2021 (inception) to 31 March 2022 USD’000
Salaries and wages	**10,877**	1,680
Medical insurance and related expenses	**515**	161
	11,392	1,841

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements
for the year ended 31 March 2023 (continued)

18 Finance cost

	For the year ended 31 March 2023 USD’000	For the period from 16 June 2021 (inception) to 31 March 2022 USD’000
Interest on bills discounted	**23,281**	448
Forfaiting charges	**6,440**	225
Commission on guarantee	**459**	205
Interest on lease liability (note 6)	**12**	-
	30,192	878

19 General and administrative expenses

	For the year ended 31 March 2023 USD’000	For the period from 16 June 2021 (inception) to 31 March 2022 USD’000
Depreciation and amortization expenses	**4,074**	3
Professional Fees	**2,143**	531
Bank Charges	**1,757**	14
Travelling Expense	**1,324**	436
Selling and Distribution expenses	**1,296**	38
Repairs & maintenance	**701**	-
Employee welfare expense	**638**	88
Telephone expense	**137**	6
Electricity expense	**90**	11
Insurance	**27**	-
Seminar and stationary expense	**20**	23
Other Expenses	**1,481**	9
	13,688	1,159

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements for the year ended 31 March 2023 (continued)

20 Financial instruments

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.

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.

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 Fitch rating:

	31 March 2023 USD'000	31 March 2022 USD'000
Bank rated		
A+	**3,343**	25,805
AA-	**4,553**	3,580
	7,896	29,385

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:

	31 March 2023 USD'000	31 March 2022 USD'000
Trade receivables and other current assets *(excluding advances and prepayments)*	**1,041,030**	388,306
Bank balances	**7,896**	29,385
	1,048,926	417,691

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

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements for the year ended 31 March 2023 (continued)

20 Financial instruments (continued)

Financial risk management objectives (continued)

<u>Liquidity risk</u>

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.

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'000	**Non-current Greater than 1 year USD'000**
31 March 2023		
Trade and other payables *(excluding advance from customer)*	**1,079,772**	**-**
Lease Liability	**379**	**569**
	1,080,151	**569**
31 March 2022		
Trade and other payables *(excluding advance from customer)*	465,968	-
	465,968	-

<u>Currency risk</u>

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.

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.

RELIANCE INTERNATIONAL LIMITED

Notes to the financial statements for the year ended 31 March 2023 (continued)

21 Corporate Income Tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Company is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

22 Approval of the financial statements

These financial statements were approved by the Director and authorised for issue on 20th April 2023.