

**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)  
(Registration Number: 200805821C)

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**DIRECTORS' STATEMENT**

The directors are pleased to present their statement to the members together with the audited financial statements of **ADANI BUNKERING PTE. LTD.** (the "company") for the financial year ended 31 March 2016.

**1. OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

**2. DIRECTORS**

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

Pranav Vinod Adani  
Rakesh Shantilal Shah  
Prasanna Sundeep (Appointed on 12 October 2015)  
Arup Roy (Appointed on 12 October 2015)

**3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

**4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

The directors who held office at the end of the financial year had no interests in the share capital of the company as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter 50.

**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**DIRECTORS' STATEMENT – cont'd**

**5. SHARE OPTIONS**

There were no share options granted during the financial year to subscribe for unissued shares of the company.

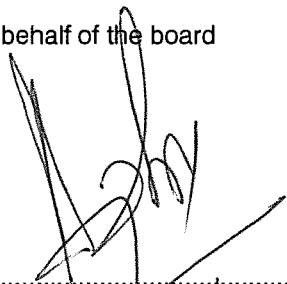
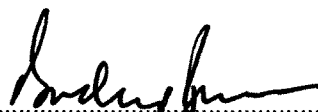
There were no shares issued during the financial year by virtue of the exercise of an option to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

**6. AUDITOR**

Rama & Co., Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment as auditor.

On behalf of the board

  
.....  
Arup Roy  
Director  
.....  
Sundeep Prasanna  
Director

Date: 23 MAY 2016



**Rama & Co**

**Public Accountants &  
Chartered Accountants  
Singapore**

17 Phillip Street  
#05-02 Grand Building  
Singapore 048695  
Tel : 6538 7777  
Fax : 6533 3227  
email : [rama@ramaco.com.sg](mailto:rama@ramaco.com.sg)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**Report on the financial statements**

We have audited the accompanying financial statements of **ADANI BUNKERING PTE. LTD.**, which comprises the statement of financial position as at 31 March 2016, and statement of comprehensive income, statement of changes in equity and statement of cash flows and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ADANI BUNKERING PTE. LTD.**

(Formerly known as CHEMOIL - ADANI PTE. LTD.) – cont'd

**Opinion**

In our opinion, the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the company for the financial year ended on that date.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

*RAMA & CO*

RAMA & CO.  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS  
SINGAPORE

Date: 23 MAY 2016



**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	<u>Note</u>	<u>2016</u> US\$	<u>2015</u> US\$
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Plant and equipment	(8)	6,990,574	7,353,754
Investment in subsidiary	(9)	5,159,867	5,159,867
Total non-current assets		12,150,441	12,513,621
<b>Current assets:</b>			
Trade and other receivables	(10)	3,737,238	18,610,922
Other current assets	(11)	954,843	1,161,995
Bank balances	(12)	5,241,488	1,022,248
Total current assets		9,933,569	20,795,165
<b>Total assets</b>		<b>22,084,010</b>	<b>33,308,786</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Share capital	(13)	10,000,000	10,000,000
Retained earnings		7,937,042	7,485,071
Total equity		17,937,042	17,485,071
<b>Current liabilities:</b>			
Trade and other payables	(14)	4,080,819	15,728,082
Income tax payable	(18)	66,149	95,633
Total current liabilities		4,146,968	15,823,715
<b>Total equity and liabilities</b>		<b>22,084,010</b>	<b>33,308,786</b>

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

**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	<u>Note</u>	<u>2016</u> <u>US\$</u>	<u>2015</u> <u>US\$</u>
<b>Revenue</b>	(15)	<b>32,861,796</b>	310,550,451
<b>Cost of goods sold</b>		<u><b>(25,346,734)</b></u>	<u>(297,105,588)</u>
<b>Gross profit</b>		<b>7,515,062</b>	13,444,863
Other income	(16)	<b>4,213</b>	945,425
Selling and distribution expenses		<b>(1,994,731)</b>	(10,184,164)
Administrative expenses		<b>(2,233,913)</b>	(2,417,407)
Other expenses		<b>(2,800,077)</b>	(374,134)
Finance costs	(17)	<u><b>(29,051)</b></u>	<u>(487,866)</u>
<b>Profit before income tax</b>		<b>461,503</b>	926,717
Income tax	(18)	<u><b>(9,532)</b></u>	<u>(68,872)</u>
<b>Profit for the year</b>		<b>451,971</b>	857,845
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>451,971</b></u>	<u>857,845</u>

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

**ADANI BUNKERING PTE. LTD.**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Share Capital US\$</b>	<b>Retained Earnings US\$</b>	<b>Total US\$</b>
Balance as at 1 April 2014	10,000,000	6,627,226	16,627,226
Total comprehensive income for the year	-	857,845	857,845
Balance as at 31 March 2015	10,000,000	7,485,071	17,485,071
Total comprehensive income for the year	-	451,971	451,971
Balance as at 31 March 2016	10,000,000	7,937,042	17,937,042

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

**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	<u>2016</u> US\$	<u>2015</u> US\$
<b>Cash flows from operating activities</b>		
Profit before income tax	461,503	926,717
Adjustments for:		
Depreciation of plant and equipment	364,508	364,733
Interest expense	-	169,599
Operating profit before working capital changes	826,011	1,461,049
Inventories	-	26,058,820
Trade and other receivables	14,873,684	9,568,172
Other current assets	207,152	(254,400)
Derivatives financial instruments	-	80,000
Trade and other payables	(11,647,263)	(21,253,606)
Cash from operations	4,259,584	15,660,035
Income tax paid	(39,016)	(48,470)
<b>Net cash from operating activities</b>	<u>4,220,568</u>	<u>15,611,565</u>
<b>Cash flows from investing activities:</b>		
Purchase of plant and equipment	(1,328)	-
<b>Net cash used in investing activities</b>	<u>(1,328)</u>	<u>-</u>
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	-	(18,272,305)
Interest paid	-	(169,599)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(18,441,904)</u>
Net increase/(decrease) in bank balances	4,219,240	(2,830,339)
Bank balances at beginning of year	1,022,248	3,852,587
<b>Bank balances at end of year</b>	<u>5,241,488</u>	<u>1,022,248</u>

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

**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. GENERAL**

Adani Bunkering Pte. Ltd. (the "company") (Registration number: 200805821C) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office at:

80 Raffles Place  
#33-20 UOB Plaza  
Singapore 048624

The principal activities of the company are that of ship bunkering and the trading, storage, blending and distribution of marine fuel oil and its related products.

With effect from 12 October 2015, the name of the Company was changed from CHEMOIL - ADANI PTE. LTD. to ADANI BUNKERING PTE. LTD..

The financial statements of the company for the year ended 31 March 2016 were authorised for issue in accordance with the directors' resolution dated 23 May 2016.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1. Basis of Accounting**

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

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

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

**ADANI BUNKERING PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**2. SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**2.1. Basis of Accounting – cont'd**

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity on areas when assumption and estimate are significant to the financial statements as disclosed in Note 4.

**2.2. Changes in Accounting Policies**

**(a) Adoption of new and revised FRSs and INT FRSs**

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and are effective for financial periods beginning on or after 1 April 2015. The adoption of these new/revised FRSs and INT FRSs did not result in changes to the company's accounting policies and had no material effect on the financial statements.

**(b) Standards issued but not yet effective**

At the date of authorisation of financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

<u>Reference</u>	<u>Description</u>	<u>Effective date (annual periods) beginning on or after</u>
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018

The directors expect that the adoption of the above standards and interpretations will have no materials impact on the financial statements in the period of initial application.

**(c) Improvements to FRSs issued in 2016**

INT FRS and amendments issued in 2016 that are relevant to the company were issued but not effective are as follows:

<u>Reference</u>	<u>Description</u>	<u>Effective date (annual periods) beginning on or after</u>
FRS 7	Disclosure Initiative	1 January 2017
FRS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

The improvement contains amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments.

The directors expect that the adoption of the improvements to FRSs above will have no material impact on the financial statements in the period of initial application.

**ADANI BUNKERING PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**2. SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**2.3. Functional and Foreign Currency**

**(a) Functional and presentation currency**

The management has determined the currency of the primary economic environment in which the company operates i.e. functional currency, to be the United States dollar. The financial statements of the company are presented in United States dollar.

**(b) Foreign currency transactions**

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

**2.4. Plant and Equipment**

**(a) Measurement**

Plant and equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation and any impairment losses.

**(b) Components of costs**

The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of plant and equipment and the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

**(c) Depreciation**

Depreciation is charged so as to write off the cost of the assets after estimated residual value over their estimated useful lives, using the straight line method as follows:-

	<u>Years</u>
Office and computer equipment	3 - 5
Motor vessel	21-23

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

**ADANI BUNKERING PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**2. SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**2.4. Plant and Equipment – cont'd**

**(c) Depreciation – cont'd**

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

**(d) Subsequent expenditure**

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial period in which it is incurred.

**(e) Disposal**

On disposal of an item of plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to profit or loss.

**2.5. Subsidiary**

Subsidiary is an entity controlled by the company. Control is achieved where the company:

- i) has power over the investee;
- ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
- iii) has the ability to use its power to affect its returns.

The investment in subsidiary is stated at cost less any impairment in the net recoverable value that has been recognised in profit or loss.

These financial statements are the separate financial statements of the company. The company is exempted from the requirement to prepare consolidated financial statements as its ultimate holding company, Adani Enterprises Ltd. incorporated in India with registered office at Adani House, Near Mithakhali Six Road, Navrangpura, Ahmedabad, and Gujarat, India 380009., prepares the consolidated financial statements which are available for public use.

**2.6. Impairment of Non-Financial Assets**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**ADANI BUNKERING PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**2. SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**2.6. Impairment of Non-financial Assets – cont'd**

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carry amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**2.7. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the company's activities. Revenue is shown, net of sales tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the company and when the specific criteria for each of the company's activities as described below.

Sale of marine fuel products are recognised upon passing of title to the customer which generally coincides with delivery and acceptance of the goods sold.

Chartering income on time charters is recognised when the services are rendered, on a time proportion basis according to the agreements in place.

Revenue from the provision of services is recognised when the services are rendered.

**2.8. Employee Benefits**

**(a) Defined contribution plans**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution plan.

**ADANI BUNKERING PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**2. SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**2.8. Employee Benefits – cont'd**

**(b) Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrued to employees. Provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period as it is a policy of the company to accumulate any annual leave that has been unutilised as at the end of reporting period.

**2.9. Operating Lease**

Leases of storage area, where substantially all risks and rewards incidentals to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in profit or loss when incurred.

**2.10. Income Tax**

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

**(a) Current tax**

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

**(b) Deferred tax**

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

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

**ADANI BUNKERING PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**2. SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**2.10. Income Tax – cont'd**

**(b) Deferred tax – cont'd**

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**2.11. Related Parties**

A related party is a person or an entity related to the company and is further defined as follows:

- (a) A person or a close member of that person's family is related to the company if that person:
- (i) has control or joint control over the company;
  - (ii) has significant influence over the company; or
  - (iii) is a member of the key management personnel of the company or of a parent of the company.
- (b) An entity is related to the company and the company if the following condition applies:
- (i) the entity and the company are members of the same company which means that each parent, subsidiary and fellow subsidiary;
  - (ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a company of which the other entity is a member;
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity; or
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**2. SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**2.11. Related Parties – cont'd**

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS24.

**2.12. Provisions**

Provisions are recognised when the company has a present obligations (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.

**2.13. Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

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

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**2. SIGNIFICANT ACCOUNTING POLICIES – cont'd**

**2.14. Events after the Reporting Period**

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

**3. FINANCIAL INSTRUMENTS**

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

**3.1. Effective Interest Method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the carrying amount of the financial asset or liability at initial recognition.

**3.2. Financial Assets**

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial instruments. The classification of financial assets depends on the purpose of which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at end of every reporting period.

**(a) Loan and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables and bank balances are classified within loans and receivables on the statement of financial position.

**(i) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**3. FINANCIAL INSTRUMENTS – cont'd**

**3.2. Financial Assets – cont'd**

**(a) Loan and receivables – cont'd**

**(ii) Bank balances**

Bank balances comprise of total amount of money held at the banks by the company and are subject to an insignificant risk of changes in value.

**(b) Impairment of financial assets**

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When the trade and other receivable are uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

**(c) Derecognition of financial assets**

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

**3.3. Equity Instruments and Financial Liabilities**

Equity instruments and financial liabilities issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument and financial liability. Financial liabilities are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**3. FINANCIAL INSTRUMENTS – cont'd**

**3.3. Equity Instruments and Financial Liabilities – cont'd**

**(a) Equity instruments**

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

**(b) Financial liabilities**

Financial liabilities include trade and other payables.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

**(c) Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respectively carrying amounts is recognised in profit or loss.

**3.4. Offsetting Financial Instruments**

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

**4. CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES**

**4.1. Critical Judgement in Applying the Company's Accounting Policies**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**4. CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES – cont'd**

**4.1. Critical Judgement in Applying the Company's Accounting Policies – cont'd**

**(a) Determination of functional currency**

The company measures foreign currency transactions in the respective functional currency of the company. In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the economic environment in which the company operate and the company's process of determining sales prices.

**(b) Income taxes**

Significant judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the year in which such determination is made. The carrying amounts of income tax payable as at the end of the reporting period are disclosed in Note 18 to the financial statements.

**4.2. Key Sources of Estimation Uncertainty**

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

**(a) Impairment of plant and equipment**

The company assesses annually whether plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of plant and equipment have been determined based on value-in use calculations. These calculations and valuations require the use of judgment and estimates on future operating cash flows and discount rates adopted. The carrying amount of the company's plant and equipment at the end of the reporting period is disclosed in Note 8 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**4. CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES – cont'd**

**4.2. Key Sources of Estimation Uncertainty – cont'd**

**(b) Depreciation of plant and equipment**

Plant and equipment are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The company reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of the assets and the company's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets, therefore future depreciation charges could be revised. Any changes in the economic useful lives and residual value could impact the depreciation charges and consequently affect the company's result.

**(c) Impairment of investment in subsidiary**

The company follows the guidance of FRS 36 in determining the recoverability of its investments in subsidiary. This requires assessment as to whether the carrying values of its investment can be supported by the net present values of future cash flows derived from such investment using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The company determines forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information. The carrying amount of the company's investment in subsidiary, at the end of the reporting period is disclosed in Note 9 to the financial statements respectively.

**(d) Impairment of loan and receivables**

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is an objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the company's trade receivables at the end of the reporting period are disclosed in Note 10 and 12 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**5. FINANCIAL INSTRUMENT, FINANCIAL RISKS MANAGEMENT, OBJECTIVES AND POLICIES AND CAPITAL RISK MANAGEMENT**

**5.1. Categories of Financial Instrument**

The following table sets out the carrying amount of financial assets and financial liabilities at the end of the reporting period.

	<u>2016</u> US\$	<u>2015</u> US\$
<b>Loan and receivables</b>		
Trade and other receivables	3,737,238	18,610,922
Bank balances	<u>5,241,488</u>	<u>1,022,248</u>
	<u>8,978,726</u>	<u>19,633,170</u>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	<u>4,074,444</u>	<u>15,419,571</u>

**5.2. Financial Risks Management Policies and Objectives**

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The directors periodically analyses, formulates and monitors the following risks management of the company.

The company adopts a systematic approach towards risk assessment and management. Risk management is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, monitoring and reporting of risk profile.

The company's key financial risks and the policies and processes for managing these risks are summarized below:

**(a) Credit risk**

Credit risk refers to risk that counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its trade and other receivables, loan and other financial assets including cash and cash equivalents. It is the company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis. At the end of the reporting period, the company concentration of credit risk is with one customer (2014: two customers) amounting to US\$1,701,183 (2014: US\$9,823,872) which accounted for 46% (2014: 53%) of its trade receivables.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**5. FINANCIAL INSTRUMENT, FINANCIAL RISKS MANAGEMENT, OBJECTIVES AND POLICIES AND CAPITAL RISK MANAGEMENT – cont'd**

**5.2. Financial Risks Management Policies and Objectives – cont'd**

**(a) Credit risk – cont'd**

*Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are substantially counter-parties with a good credit record with the company.

*Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired other than trade receivables as disclosed in Note 10 to the financial statement.

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has bank balances that are non-interest bearing and therefore has no exposure to cash flow interest rate risk.

**(c) Foreign currency exchange rate risk**

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future years.

The company operates internationally and trades mainly in the United States dollar. The company also hold cash and bank balances denominated in foreign currencies for working capital purposes. Foreign exchange exposures are naturally hedged as both trade purchases and sales are denominated in the above currencies. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates. The company also manages foreign currency risk by closely monitoring the timing of the inception and settlement of the foreign currency transactions.

No sensitivity analysis has been disclosed as the management considers the impact of any changes in foreign currency rate will not be material.

**(d) Liquidity risk**

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

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 condition, without incurring unacceptable losses or risking damage to the company's reputation.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**5. FINANCIAL INSTRUMENT, FINANCIAL RISKS MANAGEMENT, OBJECTIVES AND POLICIES AND CAPITAL RISK MANAGEMENT – cont'd**

**5.2. Financial Risks Management Policies and Objectives – cont'd**

**(d) Liquidity risk – cont'd**

In the management of liquidity risk, the company monitors and maintain a level of cash deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuation of cash flows. The company's funding is obtained from funds generated from operations.

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

	<u>Effective interest rate (%)</u>	<u>Less than 1 year US\$</u>	<u>Between 2 to 5 years US\$</u>	<u>Total US\$</u>
<b>2016</b>				
<b>Financial liabilities</b>				
<u>Amortised cost</u>				
Trade and other payables	-	<u>4,074,444</u>	-	<u>4,074,444</u>
	<u>Effective interest rate (%)</u>	<u>Less than 1 year US\$</u>	<u>Between 2 to 5 years US\$</u>	<u>Total US\$</u>
<b>2015</b>				
<b>Financial liabilities</b>				
<u>Amortised cost</u>				
Trade and other payables	-	<u>15,419,572</u>	-	<u>15,419,572</u>

The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**(e) Fair value of financial assets and financial liabilities**

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Management has determined that the carrying amounts of trade and other receivables, bank balances and trade and other payables based on their notional amounts, reasonably approximate their fair values because these are short-term in nature.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**5. FINANCIAL INSTRUMENT, FINANCIAL RISKS MANAGEMENT, OBJECTIVES AND POLICIES AND CAPITAL RISK MANAGEMENT – cont'd**

**5.3. Capital Risk Management Policies and Objectives**

The company manages its capital to ensure that the company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value.

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to equity holders, issue new shares, return capital to the equity holders, obtain new borrowings or redemption of borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and other payables less bank balances. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the year.

	<u>2016</u> US\$	<u>2015</u> US\$
Trade and other payables	4,080,819	15,728,082
Less: Bank balances	<u>(5,241,488)</u>	<u>(1,022,248)</u>
(Net cash)/Net debt	(1,160,669)	14,705,834
Total equity	<u>17,937,042</u>	<u>17,485,071</u>
Total capital	<u>16,776,373</u>	<u>32,190,905</u>
Gearing ratio	<u>*N.M.</u>	<u>46%</u>

\* Not meaningful. Net debt is in negative position indicating that bank balances are greater than the total of trade and other payables. Hence, it is not meaningful to compute the gearing ratio.

The company is not subject to externally imposed capital requirements.

**6. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS**

The company is a wholly owned subsidiary of Adani Global Limited, incorporated in Mauritius and its ultimate holding company is Adani Enterprise Ltd which is incorporated in India.

**7. RELATED PARTY TRANSACTIONS**

Parties are considered to be related, if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**7. RELATED PARTY TRANSACTIONS – cont'd**

	<u>2016</u> US\$	<u>2015</u> US\$
<u>With subsidiary</u>		
Sales of goods	-	77,696,930
Purchase of goods	526,794	-
Chartering income	3,486,500	5,610,000
Freight expenses	-	395,280
Reimbursements for payments made on behalf of the company	3,100	145,488
<u>With other related parties</u>		
Sales of goods	-	29,356,005
Chartering income	-	3,423,989
Chartered expenses paid on behalf of the company	-	1,353,010
Freight expenses	-	585,000
Reimbursements for payments made on behalf of the company	-	569,137

Compensation of key management personnel:

The remuneration of key management personnel of the company during the financial year is as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
Short-term employee benefits	-	108,740

**8. PLANT AND EQUIPMENT**

	<u>Office &amp; Computer Equipment</u> US\$	<u>Barges</u> US\$	<u>Total</u> US\$
<u>Cost</u>			
At 1.4.2014 and 31.3.2015	3,580	8,500,000	8,503,580
Addition	1,328	-	1,328
<b>At 31.3.2016</b>	<b>4,908</b>	<b>8,500,000</b>	<b>8,504,908</b>
<u>Accumulated depreciation</u>			
At 1.4.2014	3,318	781,775	785,093
Charge for the year	262	364,471	364,733
At 31.3.2015	3,580	1,146,246	1,149,826
Charge for the year	37	364,471	364,508
<b>At 31.03.2016</b>	<b>3,617</b>	<b>1,510,717</b>	<b>1,514,334</b>
<u>Carrying amount</u>			
At 31.03.2015	-	7,353,754	7,353,754
<b>At 31.03.2016</b>	<b>1,291</b>	<b>6,989,283</b>	<b>6,990,574</b>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**8. PLANT AND EQUIPMENT – cont'd**

During the year, the residual values (estimated scrap value at the end of the barges' useful lives) of the barges were estimated at US\$425,000 (2015: US\$425,000). The company has calculated the residual value of the barges taking into consideration cost of scrap steel. The company has applied uniformly the steel scrap value of US\$217 per ton for its barges. The company believes that the assumptions used to determine the scrap rate, through subjective in part because of the cyclical nature of future demand for scrap steel, are reasonable and appropriate.

During the year, the company carried out a review of the recoverable amount of all plant and equipment. As a result, there were no allowances for impairment or revisions to the useful lives required for plant and equipment.

**9. INVESTMENT IN SUBSIDIARY**

	<u>2016</u> US\$	<u>2015</u> US\$
Unquoted equity investment at cost	<u>5,159,867</u>	<u>5,159,867</u>

At the end of the reporting period, the details of the subsidiary are as follows:

<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Equity holding</u>	
			<u>2016</u> %	<u>2015</u> %
Adani Bunkering Pvt Ltd (Formerly known as Chemoil Adani Private Limited)	Supply of petroleum products and rental of storage terminal facilities	India	100	100

The financial statements of its subsidiary have not been consolidated with the company's financial statements for the reason that the company's ultimate holding company, Adani Enterprises Ltd. incorporated in India with registered office at Adani House, Near Mithakhali Six Road, Navrangpura, Ahmedabad, and Gujarat, India 380009., prepares the consolidated financial statements. These consolidated financial statements are available for public use.

As at the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiary. The review revealed no impairment in value was required during the financial year. The recoverable amount of the investment in subsidiary has been determined on the basis of its net assets value at the end of the reporting period as in the opinion of the management of the company, the net assets values of the subsidiary reasonably approximate the fair values less costs to sell.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**10. TRADE AND OTHER RECEIVABLES**

	<u>2016</u> US\$	<u>2015</u> US\$
Trade receivables:		
- subsidiary	-	350,000
- related parties	-	9,293,462
- third parties	<u>3,871,352</u>	<u>8,967,460</u>
	<u>3,871,352</u>	18,610,922
Less: Provision for doubtful debt	<u>(134,497)</u>	<u>-</u>
	<u>3,736,855</u>	18,610,922
Other receivables:		
- others	<u>383</u>	<u>-</u>
	<u><u>3,737,238</u></u>	<u><u>18,610,922</u></u>

Trade receivables are non-interest bearing and are generally on 30 days (2015:30 days) credit terms. They are recognised at their original invoice amounts, which represent their fair values on initial recognition. The company does not hold any collateral over these balances as these receivables are mainly from customers that have a good credit track record with the company.

Analysis of trade receivables as at end of reporting period are as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
Not past due and not impaired	2,387,734	15,903,859
Past due but not impaired	<u>1,349,121</u>	<u>2,707,063</u>
	<u><u>3,736,855</u></u>	<u><u>18,610,922</u></u>

Ageing of trade receivables that are past due but not impaired.

	<u>2016</u> US\$	<u>2015</u> US\$
1 - 30 days	1,141,469	1,729,026
31 - 60 days	105,790	647,517
61 - 90 days	76,787	740
More than 90 days	<u>25,075</u>	<u>329,780</u>
	<u><u>1,349,121</u></u>	<u><u>2,707,063</u></u>

Receivables that are past due but not impaired related to a number of customers that have a good track record with the company. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Trade and other receivables are denominated in United States dollar.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**11. OTHER CURRENT ASSETS**

	<u>2016</u> US\$	<u>2015</u> US\$
Advances with suppliers	851,281	1,051,426
Deposits	75,146	19,970
Prepayments	28,416	90,599
	<u>954,843</u>	<u>1,161,995</u>

Advances with suppliers relate to advance money paid to suppliers for purchase of goods and services. Such advances, which are being set off through provision of goods and services are expected to be fulfilled within the next twelve months.

Other current assets are denominated in the following currencies:

	<u>2016</u> US\$	<u>2015</u> US\$
United States dollar	879,697	1,142,025
Indian Rupee	75,146	19,970
	<u>954,843</u>	<u>1,161,995</u>

**12. BANK BALANCES**

	<u>2016</u> US\$	<u>2015</u> US\$
Cash at bank	5,241,488	1,022,248

Bank balances are denominated in the following currencies:

	<u>2016</u> US\$	<u>2015</u> US\$
United States dollar	5,231,950	988,283
Singapore dollar	9,538	33,965
	<u>5,241,488</u>	<u>1,022,248</u>

**13. SHARE CAPITAL**

	<u>2016</u> Number of ordinary shares	<u>2015</u> Number of ordinary shares	<u>2016</u> US\$	<u>2015</u> US\$
<u>Issued and fully paid up</u>				
At beginning and end of year	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

**ADANI BUNKERING PTE. LTD.**  
(Formerly known as CHEMOIL - ADANI PTE. LTD.)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**13. SHARE CAPITAL – cont'd**

The ordinary shares has no par value, carry one vote per share without restriction and a right to dividends as and when declared by the company.

**14. TRADE AND OTHER PAYABLES**

	<u>2016</u> US\$	<u>2015</u> US\$
Trade payables		
- subsidiary	-	161,911
- related parties	-	83,111
- third parties	<u>4,063,938</u>	<u>15,164,352</u>
	<b>4,063,938</b>	<b>15,409,374</b>
Other payables		
- third parties	81	-
- advances from customers	6,375	308,511
- accruals	<u>10,425</u>	<u>10,197</u>
	<u><b>4,080,819</b></u>	<u><b>15,728,082</b></u>

Trade and other payables are non-interest bearing and are normally settled on 30 to 90 days (2015: 30 to 90 days). Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The advances received from customers are unsecured and interest free. These advances are set off against the sale of goods and services to these customers within the next twelve months.

Trade and other payables are denominated in the following currencies:

	<u>2016</u> US\$	<u>2015</u> US\$
United States dollar	4,069,848	15,717,885
Singapore dollar	<u>10,971</u>	<u>10,197</u>
	<u><b>4,080,819</b></u>	<u><b>15,728,082</b></u>

**15. REVENUE**

	<u>2016</u> US\$	<u>2015</u> US\$
Sales of fuel	26,223,497	301,513,803
Chartering income	<u>6,638,299</u>	<u>9,036,648</u>
	<u><b>32,861,796</b></u>	<u><b>310,550,451</b></u>

**ADANI BUNKERING PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**16. OTHER INCOME**

	<u>2016</u> US\$	<u>2015</u> US\$
Foreign currency exchange gain	4,213	-
Profit on sale of commodity on exchange	-	945,425
	<u>4,213</u>	<u>945,425</u>

**17. FINANCE COSTS**

	<u>2016</u> US\$	<u>2015</u> US\$
Interest on loans	-	14,039
Interest on import bills/LC	-	64,034
Other interest	-	91,526
Bank charges and commission	29,051	161,847
LC charges	-	156,420
	<u>29,051</u>	<u>487,866</u>

**18. INCOME TAX EXPENSE**

	<u>2016</u> US\$	<u>2015</u> US\$
<u>Current tax</u>		
Current year's provision	22,413	68,872
Over provision in prior year	(12,881)	-
	<u>9,532</u>	<u>68,872</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore Income Tax of 17% (2015: 17%) to profit before income tax as a result of the following differences:

	<u>2016</u> US\$	<u>2015</u> US\$
Profit before income tax	461,503	926,717
Tax at statutory tax rate 17%	78,456	157,542
Tax effects of:		
- non-deductible items	61,967	63,169
- exempt shipping income	(77,808)	(66,578)
- CIT rebate	(14,419)	(21,794)
- difference in tax rate	(25,783)	(63,467)
	<u>22,413</u>	<u>68,872</u>
Over provision in prior year	(12,881)	-
Tax expense for the year	<u>9,532</u>	<u>68,872</u>

**ADANI BUNKERING PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**18. INCOME TAX EXPENSE – cont'd**

Movement in current tax payable is as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
At beginning of year	95,633	75,231
Income tax paid	(39,016)	(48,470)
Income tax expense	22,413	68,872
Over provision in prior year	<u>(12,881)</u>	<u>-</u>
At end of year	<u>66,149</u>	<u>95,633</u>

The company has unutilised capital allowances available for offsetting against future taxable income as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
<u>Capital allowances</u>		
Amount at beginning of year	5,675,934	6,067,570
Amount in current year	-	-
Amount utilised in current year	<u>(457,695)</u>	<u>(391,636)</u>
Amount at end of year	<u>5,218,239</u>	<u>5,675,934</u>
Deferred tax benefits on above unrecorded	<u>887,101</u>	<u>964,909</u>

**19. PROFIT FOR THE YEAR**

Profit for the year has been arrived at after charging:

	<u>2016</u> US\$	<u>2015</u> US\$
Depreciation of plant and equipment	364,508	364,733
Employees benefit expenses	22,040	132,193
Cost of defined contribution plans included in employee benefit expenses	-	2,019
Boat and tug hire charges	1,464,000	4,113,648
Manpower costs	985,752	1,029,102
Repair and maintenance	743,992	302,988
Damage on contract settlement	<u>1,978,000</u>	<u>3,500</u>

**20. EVENTS AFTER REPORTING PERIOD**

No items, transactions or events of material and unusual nature have arisen other than that disclosed above in the interval between the end of the reporting period and the date of this report, which is likely to affect substantially the results of operations of the company for the succeeding financial year.

**ADANI BUNKERING PTE. LTD.**  
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**DETAILED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	<u>2016</u> US\$	<u>2015</u> US\$
<b>Revenue</b>		
Sales of fuel	26,223,497	301,513,803
Chartering income	<u>6,638,299</u>	<u>9,036,648</u>
	<b>32,861,796</b>	<b>310,550,451</b>
<b>Less: Cost of goods sold</b>		
Movement in inventories	-	26,058,820
Purchases	25,237,170	269,691,753
Discharge of port expenses	-	105,017
Insurance	-	16,817
Load port charges	109,564	631,334
Ocean freight	-	600,000
Others	-	1,847
	<u>25,346,734</u>	<u>297,105,588</u>
	<u>(25,346,734)</u>	<u>(297,105,588)</u>
<b>Gross profit</b>	<b>7,515,062</b>	<b>13,444,863</b>
<b>Add: Other income</b>	<u>4,213</u>	<u>945,425</u>
	<b>7,519,275</b>	<b>14,390,288</b>
<b>Less: Operating expenses</b>		
- Schedule 'A'	<u>(7,057,772)</u>	<u>(13,463,571)</u>
<b>Profit before income tax</b>	<u><u>461,503</u></u>	<u><u>926,717</u></u>

This schedule does not form part of the statutory financial statements.

**ADANI BUNKERING PTE. LTD.**  
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Schedule 'A'

**OPERATING EXPENSES**

**FOR THE YEAR ENDED 31 MARCH 2016**

	<u>2016</u> US\$	<u>2015</u> US\$
<b>Selling and distribution expenses</b>		
Barge expenses	9,547	22,464
Boat and tug hire charges	1,464,000	4,113,648
Brokerage and commission	23,706	53,933
Business promotional expenses	584	2,860
Clearing and forwarding charges outward	4,560	31,392
Demurrage and despatch	-	776,786
Diesel expenses	186,636	960,923
Discharge port expenses	295,947	738,055
Freight outward	-	895,653
Licence fee trading	2,050	-
Material handling, testing & maintenance	5,066	231,836
Quantity discount sales	2,635	5,554
Rent Storage & warehouse	-	2,351,060
<b>Administrative expenses</b>		
Auditors' remuneration – current year	8,191	8,012
CPF Contribution	-	2,019
Entertainment	-	15,136
General expenses	5,200	37,016
Insurance	200,462	336,612
Manpower costs	985,752	1,029,102
Network connectivity expenses	2,160	-
Postage, courier & stationery	185	200
Professional fees	198,793	421,117
Repair and maintenance	743,992	302,988
Salaries, bonus and other staff cost	22,040	130,174
Subscriptions	-	10,362
Survey and testing	1,410	78,593
Travelling expenses	65,728	46,076
<b>Other operating expenses</b>		
Depreciation	364,508	364,733
Damage on contract settlement	1,978,000	3,500
Foreign currency exchange adjustment loss	-	4,374
Provision for doubtful debt	134,497	-
Sundry balances written off	323,072	1,527
<b>Finance cost</b>		
Interest on loans	-	14,039
Interest on import bill on LC	-	64,034
Other interest	-	91,526
Bank charges and commission	29,051	161,847
L/C charges	-	156,420
	<u>7,057,772</u>	<u>13,463,571</u>

This schedule does not form part of the statutory financial statements.