

ENERGY II LIMITED
BERMUDA
Financial statements
for the year ended March 31, 2023

ENERGY II LIMITED

BERMUDA

Financial Statements for the period ended March 31, 2023

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Independent Auditor's Report

To the shareholders of Energy II Limited, Bermuda
Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of Energy II Limited ("the Company"), which comprise the statement of financial position as at **March 31, 2023**, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year 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 Energy II Limited, Bermuda as at **March 31, 2023** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of 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* (the "IESBA Code") together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We refer to note 1.1 of the accompanying financial statements wherein, the company does not have any income from operations of "Fleet operating and chartering earnings" since FY 2018-19. All these events together cast material uncertainty to continue the business as going concern.

However, the management is of the view that company has a positive net worth and management has plans to restart the operating activities in the near future. Based on this, the financial statements have been prepared by the management on a going concern basis.

Our opinion is not modified in respect of above matter.

Independent Auditor's Report

To the shareholders of Energy II Limited, Bermuda

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the Company's Memorandum and Articles of Association 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.

Auditors' 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's Report

To the shareholders of Energy II Limited, Bermuda

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CNK Hussain Alsayegh

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the shareholders of Energy II Limited, Bermuda

Report on other legal and regulatory requirements

Further, we report that:

- The Company has maintained proper books of account.
- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- The financial statements have been prepared and comply, in all material respects, with the International Financial Reporting Standards (IFRS)
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended March 31, 2023, any of the applicable provisions of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at March 31, 2023.

For and on behalf of
CNK Hussain Alsayegh
Chartered Accountants



Akshay Thomas Sam
Partner
Registration No. 1313
Date:
Place: Dubai, UAE



ENERGY II LIMITED
BERMUDA

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023
(Amount in US Dollars)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	4	67,533	89,605
Due from related parties	5	61,898,883	61,759,637
TOTAL CURRENT ASSETS		61,966,416	61,849,242
TOTAL ASSETS		61,966,416	61,849,242
EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Equity share capital		53,416,361	53,416,361
Retained earnings		920,823	811,421
Securities premium		7,620,915	7,620,915
TOTAL SHAREHOLDERS' EQUITY		61,958,099	61,848,697
CURRENT LIABILITIES			
Sundry Creditors	6	7,500	-
Provisions	7	817	545
TOTAL CURRENT LIABILITIES		8,317	545
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		61,966,416	61,849,242

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

The independent audit report of the auditors is set out on page 1-4

FOR
ENERGY II LIMITED



RITISH DOORBIZ

DIRECTOR

DATE: 15th May 2023

BERMUDA

**ENERGY II LIMITED
BERMUDA**

**STATEMENT OF COMPEREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)**

	Notes	2022-2023	2021-2022
REVENUE			
Fleet operating and chartering earnings		-	-
Less: Cost of revenue		-	-
GROSS PROFIT			
Other income	8	2,739,045	3,157,752
EXPENSES			
General and administrative expenses	9	(29,844)	(19,067)
Provision for Impairment of receivable		(2,599,799)	(2,908,500)
TOTAL EXPENSES		(2,629,643)	(2,927,567)
TOTAL PROFIT / (LOSS) FOR THE YEAR		109,402	230,185

The accompanying notes form an integral part of these financial statements.
The independent audit report of the auditors is set out on page 1-4

**FOR
ENERGY II LIMITED**



**RITISH DOORBIZ
DIRECTOR**

DATE: 15th May 2023

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**ENERGY II LIMITED
BERMUDA**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)**

	2022-2023	2021-2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) for the year	109,402	230,185
Finance cost- bank charges	571	262
Interest income from a related party	(2,739,045)	(2,726,787)
Cash flow from operating activities before changes in working capital	(2,629,072)	(2,496,340)
Changes in working capital:		
Decrease / (increase) in accounts and other receivables	-	2,726,787
Increase / (decrease) in accounts and other payables	7,500	-
Decrease / (increase) in due from related parties	(139,246)	(163,268)
Increase / (decrease) in due to related parties	-	(35,962)
Increase / (decrease) in deposits, prepayments and advances	-	-
Increase / (decrease) in provisions	272	(272)
Net cash flow from/(used in) operating activities	(2,760,546)	30,945
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	2,739,045	-
Net cash flow (used in) investing activities	2,739,045	-
CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs paid	(571)	262
Net cash flow (used in) financing activities	(571)	262
Net (decrease) in cash and cash equivalents	(22,072)	30,683
Cash and cash equivalents at beginning of the year	89,605	58,922
CASH & CASH EQUIVALENT AT THE END OF THE YEAR	67,533	89,605

The accompanying notes form an integral part of these financial statements.
The independent audit report of the auditors is set out on page 1-4

FOR
ENERGY II LIMITED



RITISH DOORBIZ
DIRECTOR

DATE: 15th May 2023
BERMUDA

**ENERGY II LIMITED
BERMUDA**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)**

Particulars	Equity share capital	Retained earnings	Securities Premium
Balance at April 1, 2021	53,416,361	581,236	7,620,915
Total comprehensive profit for the year	-	230,185	-
Foreign currency translation impact	-	-	-
Balance at March 31, 2022	53,416,361	811,421	7,620,915
Balance as at April 1, 2022	53,416,361	811,421	7,620,915
Allotment of equity during the period	-	-	-
Total comprehensive profit for the period	-	109,402	-
Foreign currency translation impact	-	-	-
Balance as at March 31, 2023	53,416,361	920,823	7,620,915

The accompanying notes form an integral part of these financial statements.
The independent audit report of the auditors is set out on page 1-4

FOR
ENERGY II LIMITED



RITISH DOORBIZ
DIRECTOR

DATE: 15th May 2023
BERMUDA

**ENERGY II LIMITED
BERMUDA**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)**

1 STATUS AND ACTIVITIES

Corporate information

Energy II Limited ("the Company" or "EIL") was incorporated on 13th September 2004, under Section 14 of the Bermuda Companies Act, 1981. The principal activities of the Company are ship owning, operating and chartering. The Company is in the business of providing crude oil, dry bulk transportation and crude oil transportation management services.

Company's issued, subscribed and paid up capital is USD 53,416,361 divided into 53,416,361 shares of 1 USD each held by the shareholder as mentioned below:

# Shareholders	Nationality	No of Shares	Amount (USD)	%
1 Essar Shipping Limited, the immediate holding company	INDIAN	39,037,276	39,037,276	73
2 Essar Bulk Terminal Paradip Limited, an associate company	INDIAN	14,379,085	14,379,085	27
Total		53,416,361	53,416,361	100

1.1 GOING CONCERN

The company does not have any income from operations of "Fleet operating and chartering earnings" since FY 2018-19. This casts a material uncertainty to continue the business as going concern.

However, the management is of the view that company has a positive net worth and management has plans to restart the operating activities in the near future. Based on this, the financial statements have been prepared by the management on a going concern basis.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ('IFRSs')

New standards, amendments and interpretations effective from January 1, 2022

The following new and revised IFRSs are issued and effective from January 1, 2022. The application of these new and revised IFRSs does not have any material impact in prior years but may affect the accounting in current and for future transactions or arrangements.

In the current year, the Company has also applied following amendments to IFRS issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 January 2022. The application of these amendments to IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for the company's future transactions or arrangements.

Amendments to IAS 16- Property, Plant and Equipment (Effective from Annual reporting periods beginning on or after 1 January 2022)

Property, Plant and Equipment — Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)**

Amendments to IAS 37-Provisions, Contingent Liabilities and Contingent Assets (Effective from Annual reporting periods beginning on or after 1 January 2022)

Onerous Contracts — Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018–2020 makes amendments to the following standards:

New standards and significant amendments to standards applicable to the Company

Effective for periods beginning on or after

IFRS-1 Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

Annual periods beginning on or after January 1, 2022. Early application is permitted.

IFRS-9- Financial Instruments-

Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Annual periods beginning on or after January 1, 2022. Early application is permitted.

IAS 41- Agriculture

Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

Annual periods beginning on or after January 1, 2022. Early application is permitted.

New standards, amendments and interpretations not yet effective from January 1, 2022

New or revised pronouncement

Amendments to IAS 1- Presentation of Financial Statements (Effective from Annual reporting periods beginning on or after 1 January 2024)

Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

**ENERGY II LIMITED
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in US Dollars)

Amendments to IFRS 16- Lease (Effective from Annual reporting periods beginning on or after 1 January 2024)

Lease Liability in a Sale and Leaseback

A seller-lessee shall apply Lease Liability in a Sale and Leaseback retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application.

Management anticipates that these IFRS and amendments will be adopted in the financial statements in the initial period when they become mandatorily effective. The impact of these standards and amendments are currently being assessed by the management.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statement have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to the operations of the company.

3.2 ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and under accrual system of accounting.

3.3 REVENUE RECOGNITION

The Company recognizes revenue from sale of goods based on a five step model as set out in IFRS 15

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

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good 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 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 amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which performance obligation is satisfied.

**ENERGY II LIMITED
BERMUDA**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)**

3.3 REVENUE RECOGNITION (Continued...)

Sale of goods and services

Advances received from customers

Generally, the Company receives only short-term advances from its customers. They are presented as part of trade and other payables. Accordingly, there are no financing components in the Company's contracts with customers.

3.4 ACCOUNTS RECEIVABLE

Receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

The management undertakes a periodic review of the amount recoverable from Accounts & other receivables and determines recoverability based on various factors such as ageing of receivables, payment history, collateral available & other knowledge about the receivables.

Provisions for bad and doubtful debts represent estimates of ultimate unrealizable debts. The estimates are judgmental and are based on case based evaluation by the management.

3.5 ACCOUNTS & OTHER PAYABLES

Accounts & other payables are stated at nominal amounts payable for goods or services rendered.

3.6 PROVISIONS

Provisions are recognized when the company has a present obligation as a result of past event & it is probable that the outflow of resources will be required to settle the obligation.

3.7 FOREIGN CURRENCY

Functional and presentation currency :

Financial statements are presented in United States Dollar (USD) which is company's functional & presentation currency.

Transaction and balances :

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the reporting date are translated at rates of exchange ruling at the reporting date. Exchange differences arising in these are dealt with the statement of comprehensive income.

Exchange differences arising on the settlement of monetary items, and on re-translation of monetary items are included in the Statements of Comprehensive Income for the period. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in the Statements of Comprehensive Income except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

3.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise balances with banks.

ENERGY II LIMITED
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)

3.9 CRITICAL ACCOUNTING JUDGEMENTS & KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates & assumptions that affect the application of accounting policies & the carrying amounts of assets, liabilities, income & expenses. The estimates & associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates & underlying assumptions are reviewed on a going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current & future periods.

4 CASH & CASH EQUIVALENTS	As at March 31, 2023	As at March 31, 2022
Balances with banks in current accounts	67,533	89,605
Closing Balance	67,533	89,605
5 DUE FROM RELATED PARTIES	As at March 31, 2023	As at March 31, 2022
Essar Capital Holding Limited	65,860,984	63,261,185
Less: ECL provision for doubtful due from related parties	(7,799,352)	(5,199,553)
Essar Projects Limited	62,956	60,557
Less: ECL provision for doubtful due from related parties	(519)	(519)
Essar Shipping DMCC	164,038	164,038
Less: ECL provision for doubtful due from related parties	-	-
Essar Global Fund Limited	3,610,776	3,473,929
Less: Provision for doubtful due from related parties	-	-
IDH International Drilling Holdco Limited	13,210,559	13,210,559
Less: Provision for doubtful due from related parties	(13,210,559)	(13,210,559)
Closing Balance	61,898,883	61,759,637

Management assessed the expected credit losses as prescribed by the requirements of IFRS 9 against due from related parties and decided to provide ECL provision for due from related parties. Company has applied the simplified approach to measuring the expected credit losses which uses lifetime expected loss allowance for receivables due from related parties. Based on company's overall assessment, the application of IFRS 9 has resulted in additional provision of USD 2,599,799 during the year.

6 SUNDRY CREDITORS	As at March 31, 2023	As at March 31, 2022
Accounts Payable	7,500	-
Closing Balance	7,500	-

**ENERGY II LIMITED
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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)**

7 PROVISIONS	As at March 31, 2023	As at March 31, 2022
Provision for Expenses	817	545
Closing Balance	817	545
8 OTHER INCOME	2022-2023	2021-2022
Interest income on loans	2,739,045	2,726,787
Provision written back	-	430,965
Total	2,739,045	3,157,752
9 GENERAL AND ADMINISTRATIVE EXPENSES	2022-2023	2021-2022
Legal and professional fees	29,273	18,747
Exchange Gain/(Loss)	-	36
Sundry balances written off	-	22
Bank charges	571	262
Total	29,844	19,067
10 FINANCIAL INSTRUMENTS	As at March 31, 2023	As at March 31, 2022
Financial Instruments by category		
<i>Financial Assets</i>		
Cash & cash equivalents	67,533	89,605
Due from related parties	61,898,883	61,759,637
<i>Financial Liabilities</i>		
Sundry Creditors	7,500	-
Provisions	817	545

Financial instruments means Financial Assets, Financial Liabilities and Equity Instruments. Financial Assets of the establishment include cash and cash equivalents and due from related parties. Financial Liabilities include creditor and provisions.

The management believes that the fair value of the Financial Assets and Liabilities are not significantly different from their carrying amounts at balance sheet date.

The main risk arising from the Company's financial instruments are Currency Risk, Credit Risk and Interest Rate Risk.

a. Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's major exposure is in United States Dollar, Arab Emirates Dirhams and Indian Rupees and hence currency risk is present.

**ENERGY II LIMITED
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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amount in US Dollars)**

10 FINANCIAL INSTRUMENTS (Continued...)

Currency risk management

No currency risk as company transacts in US Dollar.

b. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial Assets, which potentially expose the establishment to credit risk, comprise mainly of bank accounts and receivables.

The establishment's bank accounts are placed with high credit quality financial institution. The establishment manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Credit risk is limited to the carrying value of financial assets in the balance sheet.

Credit Risk Management

Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk from its financial assets which comprise principally of deposits, cash and cash equivalents, trade and other receivables, due from related parties. The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and related parties.

c. Interest Rate Risk

The company in the normal course of business and is not exposed to interest rate risk.

11 SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no significant events occurring after the balance sheet date, which require disclosure in the financial statements.

12 PREVIOUS PERIOD FIGURES

Comparative figures for the previous period have been regrouped and reclassified, wherever necessary to confirm to the current period presentation.

13 ROUNDING OFF

The figures in these financial statements have been rounded to the nearest US Dollar.

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

The independent audit report of the auditors is set out on page 1-4

**FOR
ENERGY II LIMITED**


**RITISH DOORBIZ
DIRECTOR**

**DATE: 15th May 2023
BERMUDA**