



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
ADANI INTERNATIONAL TERMINALS PTE. LTD.**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of **ADANI INTERNATIONAL TERMINALS PTE. LTD.** (the "Company"), which comprise the statement of financial position as at 31 March 2018, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 30 June 2017 (date of incorporation) to 31 March 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the period then ended.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 1 to the financial statements. At the end of the reporting period, the Company's total liabilities exceeded its total assets by **US\$94,985**. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue depends on ultimate holding company undertaking to provide continuing financial support to enable the company to continue as a going concern. The directors are satisfied that the financial support will be provided. Our opinion is not modified in respect of this matter.

*Other Information*

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
ADANI INTERNATIONAL TERMINALS PTE. LTD.– cont'd**

*Other Information – cont'd*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use of disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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 of 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 MEMBER OF  
ADANI INTERNATIONAL TERMINALS PTE. LTD.– cont'd**

*Auditor's Responsibilities for the Audit of the Financial Statements – cont'd*

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

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

**PRUDENTIAL PUBLIC ACCOUNTING CORPORATION  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS  
SINGAPORE**

Date: 16 April 2018

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	<u>Note</u>	<u>2018</u> <u>US\$</u>
<b>ASSETS</b>		
<b>Current asset:</b>		
Other receivables	(7)	88,931
Cash and bank balances	(8)	<u>337,935</u>
Total current assets		<u>426,866</u>
<b>Total assets</b>		<u><u>426,866</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves:</b>		
Share capital	(9)	759
Accumulated loss		<u>(95,744)</u>
Total equity		<u>(94,985)</u>
<b>Non-current liability:</b>		
Loan from holding company	(10)	<u>500,000</u>
Total non-current liability		
<b>Current liability:</b>		
Other payables	(11)	<u>21,851</u>
Total current liability		<u>21,851</u>
Total liabilities		<u>521,851</u>
<b>Total equity and liabilities</b>		<u><u>426,866</u></u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 30 JUNE 2017 (DATE OF  
INCORPORATION) TO 31 MARCH 2018

	<u>Note</u>	30 Jun 2017 to <u>31 Mar 2018</u> US\$
<b>Revenue</b>		-
Administrative expenses		<u>(95,744)</u>
<b>Loss before income tax</b>	(12)	(95,744)
Income tax expense	(13)	<u>-</u>
<b>Loss for the period</b>		(95,744)
Other comprehensive income		<u>-</u>
<b>Total comprehensive loss for the period</b>		<u><u>(95,744)</u></u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 30 JUNE 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

	Share Capital	Accumulated Loss	Total
	US\$	US\$	US\$
Balance as at date of incorporation, 30 June 2017	759	-	759
Total comprehensive loss for the period	-	(95,744)	(95,744)
Balance as at 31 March 2018	759	(95,744)	(94,985)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

# ADANI INTERNATIONAL TERMINALS PTE. LTD.

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 30 JUNE 2017 (DATE OF  
INCORPORATION) TO 31 MARCH 2018

	<u>Note</u>	30 Jun 2017 to <u>31 Mar 2018</u> US\$
<b>Cash flows from operating activities</b>		
Loss before income tax and working capital changes		(95,744)
Other receivables		(88,931)
Other payables		<u>21,851</u>
<b>Net cash used in operating activities</b>		<u>(162,824)</u>
<b>Financing activities:</b>		
Issue of share capital	(9)	759
Proceeds from loan from holding company	(10)	<u>500,000</u>
<b>Net cash from financing activities</b>		<u>500,759</u>
Net increase in cash and cash equivalents		337,935
Cash and cash equivalents at beginning of period		<u>-</u>
<b>Cash and cash equivalents at end of period</b>	(8)	<u><u>337,935</u></u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

# ADANI INTERNATIONAL TERMINALS PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

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

### 1. GENERAL

Adani International Terminals Pte. Ltd. ("the Company") (Registration number: 201718292D) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at:

80, Raffles Place #33-20  
UOB Plaza  
Singapore 048624

The principal activities of the Company are that of port operators.

At the end of the reporting period, the Company's total liabilities exceeded its total assets by **US\$94,985**. This factor indicates the existence of an uncertainty which may affect the validity of the going concern assumption on which the accompanying financial statements are prepared.

The ultimate holding Company has agreed to provide continuing financial support to the Company to enable the Company to meet its obligations as and when the need arises.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ from the amounts at which they are currently in the statement of financial position.

The financial statements of the Company for the financial period from 30 June 2017 (date of incorporation) to 31 March 2018 were authorised for issue by the Board of Directors on 16 April 2018.

### 2. SUMMARY OF 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 and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRSs") promulgated by 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 Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for value in use in FRS 36 where measurement that have some similarities to fair value but not fair value.



## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.1 Basis of Accounting – cont'd

The fair value of financial assets and liabilities are disclosed in Note 5.

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 assumption. The areas involving a higher degree of judgement or complexity or areas when assumption and estimates are significant to the financial statement as disclosed in Note 4

##### 2.2 Changes in Accounting Policies

###### (a) Adoption of new and revised FRS and INT FRS

In the current financial period, the Company has adopted all the new and revised FRSs and INT FRSs issued by the ASC that are relevant to its operations and effective for annual periods beginning on or after 30 June 2017. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current years.

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

At the date of authorisation of financial statements, the following FRSs, INT FRSs and amendments 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 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019
INT FRS 122	Foreign Currency Transactions and Advance Consideration	1 January 2018
INT FRS 123	Uncertainty over Income Tax Treatments	1 January 2019

The management expect that the adoption of the above standards and interpretations will have no material impact on the financial statements of the Company in the period of their initial application.

##### 2.3 Functional and Foreign Currency

###### (a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements of the Company are presented in United States dollar, which is also the functional currency of the Company.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.3 Functional and Foreign Currency – cont'd

###### (b) Foreign currency transactions

Transactions in foreign currencies have been converted into United States dollar at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies at the end of reporting period have been converted into United States dollar at the rates of exchange approximating those ruling at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of initial transactions. Non-monetary assets and liabilities measured at fair value are measured at exchange rates ruling at the dates the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

##### 2.4 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying 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.

##### 2.5 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.6 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 he or she:
  - (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 a Company if any of the following applies:
  - (i) the entity and the Company are members of the same group i.e. each parent, subsidiary and fellow subsidiary is related to the others;
  - (ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group 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.

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 Company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS 24 – Related Party Disclosures.

##### 2.7 Income Tax

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

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.7 Income Tax – cont'd

###### (a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income 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 or substantively enacted by the end of reporting period.

###### (b) Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

##### 2.8 Provisions

Provisions are recognised when the Company has 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.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.8 Provisions – cont'd

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.

##### 2.9 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 a change in the probability of an outflow occurs 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.

##### 2.10 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's 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 through the expected life of the financial instrument, or where appropriate, a shorter period.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.2 Financial Assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets in this financial statement are classified into “loans and receivables”. The classification depends on the nature and purpose of financial assets and determined at the time of initial recognition.

##### (a) Loans and receivables

Other receivables and cash and bank balances are classified as loans and receivables in the statement of financial position.

Cash and bank balances comprise cash on hand and the total amount of money held at the bank by the Company are subject to an insignificant risk of changes in value.

##### (b) Impairment of loans and receivables

Financial assets are assessed for indicators of impairment at the end of the 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 a trade and other receivable are uncollectible, it is 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.

##### (b) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or its transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.3 Equity and Financial Liabilities

Equity instruments issued by the Company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

##### (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.

Ordinary share capital and preference shares are classified as equity.

##### (b) Financial liabilities

Finance liabilities comprise of loan from holding company and other payables. They are initially measured at fair value, net of transaction costs, 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.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

##### 4.1 Critical Judgement in Applying 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, and the disclosure of contingent 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.

The management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

##### 4.2 Key Sources of Estimation Uncertainty

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

##### (a) Impairment of loans 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 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 financial assets at the end of the reporting period is disclosed in the Note 8 to the financial statements.

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVES

##### 5.1 Categories of Financial Assets and Financial Liabilities

The carrying amounts of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	<u>2018</u> <u>US\$</u>
<b><u>Financial assets</u></b>	
Loan and receivables:	
- Cash and bank balances	<u>337,935</u>
<b><u>Financial liabilities</u></b>	
Amortised cost:	
- Loan from holding company	<u>500,000</u>
- Other payables	<u>21,851</u>
	<u>521,851</u>

##### 5.2 Financial Risk 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 management meet periodically to analyse, formulate and monitor the following risk management of the Company and believe that the financial risks associated with these financial instruments are minimal. There has been no change to the Company's exposure to these financial risks described below or the manner in which it manages and measures the risks.



## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVES – cont'd

##### 5.2 Financial Risk Management Policies and Objectives – cont'd

The Company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile. The Company is not exposed to interest rate risk and foreign exchange risk.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages measures the risk.

##### (a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to Company resulting in a loss to the Company. No formal credit limits are imposed and credit risk is managed through regular monitoring of conduct of accounts. At the end of the reporting period, the Company has no significant concentration of credit risk.

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.

##### *Financial assets that are neither past due nor impaired*

Cash and bank balances that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

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

There is no other class of financial assets that is past due and/or impaired.

##### (b) Liquidity risk management

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 is exposed to liquidity risk. However, the ultimate holding company has agreed to provide unconditional financial support to enable it to discharge its obligations as and when they fall due.

The following table summarises the Company's remaining contractual maturity for its financial instruments at the end of the reporting period. The table have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVES – cont'd

##### 5.2 Financial Risk Management Policies and Objectives – cont'd

##### (c) Liquidity risk management – cont'd

<u>2018</u>	<u>Effective interest rate p.a.</u> %	<u>Carrying amount</u> US\$	<u>Contractual undiscounted cash flows</u>		
			<u>One year Or less</u> US\$	<u>Two to five years</u> US\$	<u>Total</u> US\$
<b><u>Non-derivative Financial liabilities:</u></b>					
Loan from holding company	-	500,000	-	500,000	500,000
Other payables	-	21,851	21,851	-	21,851
Total undiscounted financial liabilities		<u>521,851</u>	<u>21,851</u>	<u>500,000</u>	<u>521,851</u>

##### (d) 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 cash and bank balances, loan from holding company and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

The Company does not anticipate that the carrying amounts recorded at end of the reporting period would significantly be different from the values that would eventually be received or settled.

##### 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, to return capital to the equity holders, to 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 loan from holding company and other payables less cash and bank balances. Total capital is calculated as equity plus net debt. The Company's overall strategy remains unchanged during the year.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVES – cont'd

##### 5.3 Capital Risk Management Policies and Objectives – cont'd

	<u>2018</u> US\$
Loan from holding company	500,000
Other payables	21,851
Less: Cash and bank balances	<u>(337,935)</u>
Net debt	183,916
Total equity	<u>(94,985)</u>
Total capital	<u>88,931</u>
Gearing ratio	<u>N.M</u>

N.M – Not Meaningful

The Company is not subject to externally imposed capital requirements.

#### 6. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Company is a wholly-owned subsidiary of Adani Ports and Special Economic Zone Limited, incorporated in India, which is also the Company's ultimate holding company.

#### 7. OTHER RECEIVABLES

	<u>2018</u> US\$
Deposit	34,572
Prepayment	<u>54,359</u>
	<u>88,931</u>

#### 8. CASH AND BANK BALANCES

	<u>2018</u> US\$
Cash on hand	319
Cash at bank	<u>337,616</u>
	<u>337,935</u>

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

**8. CASH AND BANK BALANCES – cont'd**

Cash and bank balances are denominated in the following currencies:

	<u>2018</u>
	<u>US\$</u>
Singapore dollar	9,338
United States dollar	328,597
	337,935

**9. SHARE CAPITAL**

	<u>2018</u>	<u>2018</u>
	<u>Number of</u>	<u>US\$</u>
	<u>ordinary shares</u>	
<u>Issued and fully paid up</u>		
At beginning and end of period	1,000	759

At date of incorporation, the Company issued 1,000 ordinary shares at S\$1 (equivalent to US\$0.759) per ordinary share for cash to the subscriber according to the Memorandum of Association.

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

**10. LOAN FROM HOLDING COMPANY**

Loan from holding company is unsecured, interest-free and repayable on or before 31 January 2023. However, the loan is not expected to be repayable within the next twelve months.

**11. OTHER PAYABLES**

	<u>2018</u>
	<u>US\$</u>
Other payable	583
Accruals	21,268
	21,851

**12. LOSS FOR THE PERIOD**

Loss for the period has been arrived after charging:

	<u>30 Jun 2017</u>
	<u>to</u>
	<u>31 Mar 2018</u>
	<u>US\$</u>
Short term employee benefits	19,884
Foreign currency exchange loss	131
Consultancy fees	63,000

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 13. INCOME TAX

The reconciliation between the tax benefit and the product of accounting loss multiplied by the applicable tax rate is as follows:

	<u>30 Jun 2017</u> to <u>31 Mar 2018</u> US\$
Loss before income tax	<u>(95,744)</u>
Income tax expense at statutory rate 17%	(16,276)
Income tax effects of:	
- tax loss disregarded	<u>16,276</u>
	<u>-</u>

#### 14. OTHER COMMITMENT

	<u>2018</u> S\$
Expenditure contracted but not provided:	
- Interior design and fit-out work	<u>23,200</u>

#### 15. COMPARATIVE FIGURES

The financial statements cover the financial period since incorporation on 30 June 2017 to 31 March 2018. This being the first set of financial statements, there are no comparative figures.

#### 16. EVENTS AFTER THE REPORTING PERIOD

No item, transaction or event of material and unusual nature has arisen between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the Company for the succeeding reporting period.

## ADANI INTERNATIONAL TERMINALS PTE. LTD.

### DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL PERIOD FROM 30 JUNE 2017 (DATE OF  
INCORPORATION) TO 31 MARCH 2018

	30 Jun 2017 to 31 Mar 2018 US\$
Revenue	-
<b>Less: Expenses</b>	
<b>Administrative expense</b>	
Auditor's remuneration	2,692
Advertisement	550
Bank charge	846
Consultancy fees	63,000
Foreign currency exchange loss	131
Local conveyance	373
Legal and license expenses	4,491
Office expenses	577
Professional fees	718
Rent office	600
Salary	19,250
Staff welfare	634
Subscription fees	189
Telephone	207
Travelling	1,486
	<u>(95,744)</u>
<b>Loss before income tax</b>	<u><u>(95,744)</u></u>

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