ADANI BANGLADESH PORTS PRIVATE LIMITED

Balance Sheet as at March 31, 2020

Particulars	Notes	Amount in BDT As at March 31, 2020
Assets		
Non Current assets		
Property, Plant and Equipments		-
Current assets		
Cash and Cash Equivalents	3	5,533,755
Total		**5,533,755**
Equity and Liabilities		
Equity		
Equity Share Capital	4	5,500,000
Other Equity		-
Total Equity		**5,500,000**
Share Application Money Pending Allotment		**33,755**
Liabilities		
Non Current Liabilities		-
Current Liabilities		-
Total		**5,533,755**

The accompanying notes are an integral part of financials statements

As per our report of even date

For and on behalf of Board of Directors

Adani Bangladesh Ports Private Limited

Capt. Sandeep Mehta
[Chairman]

Syed Yousuf Shahriar
[Director]

Date : April 21, 2020

ADANI BANGLADESH PORTS PRIVATE LIMITED

Statement of Profit and Loss account for the period From February 17,2020 to March 31, 2020

Particulars	Notes	Amount in BDT For the period From February 17,2020 to March 31, 2020
Revenue		
Operating Revenue		-
Expenses		
Other Expesnes		-
Profit For the Period		-
Other Comprehensive Income		-
Total Comprehensive Income for the period		-

The accompanying notes are an integral part of financials statements
As per our report of even date

For and on behalf of Board of Directors
Adani Bangladesh Ports Private Limited

Capt. Sandeep Mehta
[Chairman]

Syed Yousuf Shahriar
[Director]

Date : April 21, 2020

ADANI BANGLADESH PORTS PRIVATE LIMITED

Cash Flow Statemetn for the period From February 17,2020 to March 31, 2020

Particulars	Notes	Amount in BDT For the period From February 17,2020 to March 31, 2020
a) Cash Flow from Operating Activities		-
b) Cash Flows from Investing Activities		-
c) Cash Flows from Financing Activities		
Proceeds from Issuance of Share Capital		5,500,000
Share Application Money Pending Allotment		33,755
Net Cash Inflow from Financing Activities		**5,533,755**
Net (Decrease) / Increase in Cash & Cash Equivalents (a+b+c)		**5,533,755**
Cash and Cash Equivalents at the Beginning of the period		-
Cash and Cash Equivalents at the Closing of the period		**5,533,755**
Component of Cash and Cash Equivalents		
Balances with Scheduled Bank		
In Current Accounts		**5,533,755**
Cash and Cash Equivalents at the Closing of the period		**5,533,755**

Summary of significant accounting policies refer note 2.2

The accompanying notes are an integral part of financials statements
As per our report of even date

For and on behalf of Board of Directors
Adani Bangladesh Ports Private Limited

Capt. Sandeep Mehta
[Chairman]

Syed Yousuf Shahriar
[Director]

Date : April 21, 2020

ADANI BANGLADESH PORTS PRIVATE LIMITED

Statement of Change in Equity for the period From February 17,2020 to March 31, 2020

....ount in BDT

Particulars	**Equity Share Capital**	**Reserve & Surplus**	**Total**
Opening Balance for the period			
Share capital issue during the peric	5,500,000	-	**5,500,000**
Profit for the period	-	-	-
Other Conprehensive income	-	-	-
Total Conprehensive income	-	-	-
Closing Balance for the period as on March 31,2020	**5,500,000**		**5,500,000**

For and on behalf of Board of Directors
Adani Bangladesh Ports Private Limited

Capt. Sandeep Mehta
[Chairman]

Syed Yousuf Shahriar
[Director]

Date : April 21, 2020

1 **Corporate information**

Adani Bangladesh Ports Private Limited ("ABPPL" or "the Company") was incorporated on February 17, 2020 as a 100% subsidiary of Adani Ports and Special Economic Zone Limited (Parent Company or "APSEZL") with an objective for Dredging and port devlopment activites in Bangladesh.

The financial statements were authorised for issue in accordance with the resolution of directors on April 21,2020

2 **Basis of preparation**

2.1 The financial statements of the Company has been prepared in accordance Bangladesh Financial Reporting Standards

The financial statements have been prepared on the historical cost basis. except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

2.2 The financial statements are presented in Bangladeshi Taka (BDT) and all values are rounded to the nearest takas, except when otherwise indicated.

Summary of significant accounting policies

a) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle; or

It is held primarily for the purpose of trading; or

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above,

c) **Property, plant and equipment (PPE)**

Property, Plant and Equipment (including Capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the construction / development and borrowing costs if capitalization criteria are met directly attributable cost of bringing the asset / project to its working condition for the intended use.

Capital work in progress included in property,plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the borrowing costs for long-term construction projects if the recognition criteria are met.

d) **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of services

Revenue from port operation services / multi-model and transportation service including cargo handling, storage and rail infrastructure are recognized on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognized for the quantity that is the difference between annual agreed tonnage and actual quantity of cargo handled. The amount recognized as a revenue is exclusive of service tax and education cess where applicable.

e) **Investment**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long - term investments. Long - term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

f) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or development of an asset / project that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) **Taxes**

Tax expense comprises of current income tax and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting

h) **Earnings per share**

The Basic earning per share has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share , the profit the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

i) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or

liability, assuming that market participants act in their economic best interest

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

-Financial instruments (including those carried at amortised cost)

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as

Debt instruments at amortised cost

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

> The rights to receive cash flows from the asset have expired, or
> The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.
For recognition of impairment loss on other financial assets and risk exposure, the 12 Month ECL is used to provide if credit risk has not increased significantly and if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR.

> Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.
The measurement of financial liabilities depends on their classification.
Loans and borrowings
This is the most relevant category to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses

2.3 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3 Cash and Cash Equivalents

	As at March 31, 2020 Amount in BDT
Balances with banks:	
Balance in current account	**5,533,755**
	5,533,755

4 Equity

	As at March 31, 2020 Amount in BDT
Authorised shares	
10,00,000 Equity Shares of BDT 10 each	10,000,000
Issued, subscribed and fully paid up shares	
5,50,000 Equity Shares of BDT 10 each fully paid up	**5,500,000**

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2020 Amount in BDT	
	No	Amount
At the beginning of the period	-	-
Issued during the period	550,000	5,500,000
Outstanding at the end of the pe	550,000	5,500,000

b) Terms/rights attached to equity shares:

The company has only one class of equity shares having par value of BDT 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by parent company

Out of equity shares issued by the company, shares held by its parent company is as below

	As at March 31, 2020 Amount in BDT
Adani Ports and Special Economic Zone Limited, the parent company and its nominee	
5,50,000 Equity Shares of BDT 10 each fully paid	5,500,000

(d) Details of shareholder holding more than 5% shares in the Company

	As at March 31, 2020	
	No	%
Adani Ports and Special Economic Zone Limited, the parent company and its	550,000	100%

	As at March 31, 2020 Amount in BDT
Other Equity	
Opening Balance	-
Profit for the period	-
Total Equity	**5,500,000**

5 **Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Financial Risk objective and policies

The Company's principal financial liabilities comprise trade and other payables, The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company's risk management activities are subject to the management, direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

6 **Capital management**

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

7 Earning Per Share

Profit attributable to equity shareholders of the company	-
Weighted average number of equity shares	-
Basic and Diluted loss per share (in BDT)	**-**

8 Contingent liabilities not provided for

Based on the information available with the Company, there is nil contingent liability at the year ended March 31, 2020

9 Segment Information

The Company is primarily engaged in the business of Dredging , developing, operating and maintaining the port based terminal infrastructure facilities. The entire business has been considered as a single segment in terms of on Segment Reporting as determined by chief operational decision maker. There being no business outside Bangladesh, the entire business has been considered as single geographic segment.

As per the company there are no supplier being covered under the Micro, Small and Medium Enterprises Development Act in Bangladesh. Accordingly no information is required to be reported in the financials.

10 Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(i)The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

ii) Aggregate of transactions for the year ended with these parties have been given below.

Transactions	Name of Related Party	March 31, 2020 Amount in BDT
Issue of Equity Shares	Adani Ports and Special Economic Zone Ltd	5,500,000
Share Application money Pending Allotment	Adani Ports and Special Economic Zone Ltd	33,755

11 Events occurring after the

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of April 21, 2020, there were no subsequent events to be recognized or reported that are not already disclosed.

For and on behalf of Board of Directors
Adani Bangladesh Ports Private Limited

Capt. Sandeep Mehta	Syed Yousuf Shahriar
[Chairman]	[Director]
Date : April 21, 2020	