

**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 2020, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, 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 2020 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\$1,877,503**. As stated in Note 1, these events or conditions, 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 available when required. 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.

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**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: **22 APR 2020**

ADANI INTERNATIONAL TERMINALS PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	<u>Note</u>	<u>2020</u> US\$	<u>2019</u> US\$
ASSETS			
Non-current assets:			
Plant and equipment	(7)	34,408	44,270
Investment in subsidiary	(8)	60,000,876	1,000
Loan to subsidiary	(11)	45,248,065	
Capital work in progress – Project Advance	(9)	13,106,696	1,203,384
Advances	(10)	1,600,000	7,600,000
Total non-current assets		119,990,045	8,848,654
Current assets:			
Other receivables	(12)	7,165,328	20,074
Cash and bank balances	(13)	328,677	831,424
Total current assets		7,494,005	851,498
Total assets		127,484,050	9,700,152
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	(14)	759	759
Accumulated losses		(1,878,262)	(165,818)
Total equity		(1,877,503)	(165,059)
Non-current liability:			
Loan from holding company	(15)	126,769,000	9,519,000
Current liability:			
Other payables	(16)	2,592,553	346,211
Total current liability		2,592,553	346,211
Total liabilities		129,361,553	9,865,211
Total equity and liabilities		127,484,050	9,700,152

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 YEAR ENDED 31 MARCH 2020

	<u>Note</u>	<u>2020</u> US\$	<u>2019</u> US\$
Revenue		-	-
Other income		2,799,168	-
Administrative expenses		(247,772)	(66,198)
Other expenses		(9,862)	(3,876)
Finance cost		<u>(4,253,978)</u>	<u>-</u>
Loss before income tax	(17)	(1,712,444)	(70,074)
Income tax expense	(18)	<u>-</u>	<u>-</u>
Loss for the year		(1,712,444)	(70,074)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(1,712,444)</u>	<u>(70,074)</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 YEAR ENDED 31 MARCH 2020

	Share Capital	Accumulated Losses	Total
	US\$	US\$	US\$
Balance as at 1 April 2018	759	(95,744)	(94,985)
Total comprehensive loss for the year	-	(70,074)	(70,074)
Balance as at 31 March 2019	759	(165,818)	(165,059)
Total comprehensive loss for the year	-	(1,712,444)	(1,712,444)
Balance as at 31 March 2020	759	(1,878,262)	(1,877,503)

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 YEAR ENDED 31 MARCH 2020

	<u>Note</u>	<u>2020</u> US\$	<u>2019</u> US\$
Cash flows from operating activities			
Loss before income tax		(1,712,444)	(70,074)
Adjustment for:			
Depreciation		9,862	3,876
Operating loss before working capital changes		(1,702,582)	(66,198)
Other receivables		(7,145,254)	68,857
Other payables		2,588,696	(18,994)
Net cash from/(used in) operating activities		(6,259,140)	(16,335)
Investing activities:			
Purchase of plant and equipment	(7)	-	(48,146)
Capital work in progress	(9)	(11,903,312)	(1,203,384)
Investment in subsidiary	(8)	(59,999,876)	-
Loan to subsidiary	(21)	(45,248,065)	-
Advances	(10)	6,000,000	(7,600,000)
Net cash used in investing activities		(111,151,253)	(8,851,530)
Financing activities:			
Proceeds from related party	(19)	(342,354)	342,354
Proceeds from loan from holding company	(19)	117,250,000	9,019,000
Net cash from financing activities		116,907,646	9,361,354
Net (decrease)/increase in cash and cash equivalents		(502,747)	439,489
Cash and cash equivalents at beginning of year		831,424	337,935
Cash and cash equivalents at end of year	(13)	328,677	831,424

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 2020

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 those of development operations and maintenance of ports and related infrastructure facilities.

At the end of the reporting period, the Company's total liabilities exceeded its total assets by **US\$1,877,503**. 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 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. The directors are satisfied that the financial support will be available when request.

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 year ended 31 March 2020 were authorised for issue by the Board of Directors on _____.

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").

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.

In addition, for financial reporting purposes, fair value measurements are described in Note 5.

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

2.2 Changes in Accounting Policies

(a) Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2019. The adoption of these new and revised FRSs and INT FRSs did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except as discussed below:

(i) FRS 116 Leases

FRS 116 replaces FRS 17 Leases, INT FRS 104 Determining whether an Arrangement Contains a Lease, INT FRS – 15 Operating Leases – Incentives and INT FRS – 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

FRS 116 requires a lessee to recognise leases on the statement of financial position but provides exemptions for leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments ("lease liability") and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). The lessee will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under FRS 116 is substantially unchanged from FRS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in FRS 17. The adoption of this standard did not have a material impact on the financial statements of the company.

(b) Standards issued but not yet effective

As at the date of the authorisation of these financial statements, the company has not adopted the following FRSs and INT FRSs that have been issued but not yet effective:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 1 and FRS 8	Accounting Polices, Changes in Accounting Estimates	1 January 2020
FRS 103	Definition of Business (Amendments)	1 January 2020
Various	Amendments to Reference to the Conceptual Framework in FRS Standards	1 January 2020

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in accounting policies – cont'd

(b) Standards issued but not yet effective – cont'd

The Company expect that the adoption of the above standards, interpretations and improvements, if applicable, will have no material impact on the financial statements in the period of 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.

(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. Plant and Equipment

(a) Measurement

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

(b) Component of costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(c) Depreciation

Depreciation is calculated on the straight-line method and to write off the cost of the assets over their estimated useful lives as follows:

Computer	5 years
Renovation	5 years

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.4. Plant and Equipment – cont'd

(c) Depreciation – cont'd

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets. Useful lives, residual values and depreciation methods are reviewed annually. Accelerated depreciation is provided when the useful life of the asset become shorter than that initially expected.

(d) Subsequent expenditure

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

(e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.5. Investment in Subsidiary

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Investment in subsidiaries is stated at cost less any impairment loss.

Investment in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investment, the difference between the net disposal proceed and their carrying amounts is included in profit or loss.

These financial statements are the separate financial statements of the Company.

Consolidated financial statements have not been presented as the Company itself is a wholly owned subsidiary of another entity; and the ultimate holding Company Adani Ports and Special Economic Zone Limited, whose registered office is at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad -380 009., produces the consolidated financial statements available for public use.

2.6. Impairment of Non-Financial Assets

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

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

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.6. Impairment of Non-Financial Assets – cont'd

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

2.7. Cash and Bank Balances

Cash and bank balances comprise cash balances and short term bank deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value. These are classified and accounted as measured at amortised cost under FRS 109.

2.8. 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.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.8. Related Parties – cont'd

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

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

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

2.9. Income Tax

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

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in 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.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.9. Income Tax – cont'd

(b) Deferred tax – cont'd

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).

2.10. 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.

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.

2.11. 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.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.12. 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

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.

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 year. 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.

3.1. Financial Assets

a) Classification of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the company commit to purchase or sell the asset.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

a) Classification of financial assets – cont'd

For purpose of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost.
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include other receivables, and other financial assets that held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

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 in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

Financial assets at amortised cost consist of other receivables and bank balances.

Other than financial assets at amortised cost, the company does not designate any financial assets under any other category under FRS 109.

b) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS - cont'd

3.1. Financial Assets – cont'd

b) Impairment of financial assets – cont'd

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the company measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company considers a financial asset in default when contractual payments are 365 days due. However, in certain cases, the company also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancement held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

c) Derecognition of financial assets

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

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

3.2. 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.

Share capital – ordinary shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Equity and Financial Liabilities

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.

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>2020</u> US\$	<u>2019</u> US\$
<u>Financial assets</u>		
At amortised cost:		
- Cash and bank balances	328,677	831,424
- Advance	1,600,000	7,600,000
- Capital work in progress -Project advance	13,106,696	1,203,384
- Loan to subsidiary	45,248,065	-
- Other receivables	7,165,328	11,371
	<u>67,448,766</u>	<u>9,646,179</u>
<u>Financial liabilities</u>		
At amortised cost:		
- Loan from holding company	126,769,000	9,519,000
- Other payables	2,592,553	346,211
	<u>129,361,553</u>	<u>9,865,211</u>

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

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.

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 the risk that the counterparty will default on its contractual obligations resulting in a loss to the company. The company's exposure to credit risk arises primarily from bank balances. The company transacts only with recognised and creditworthy counterparties. The Company place the cash deposits with reputable banks and financial institutions with high credit ratings assigned by international credit-rating agencies.

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Regardless of the analysis above, a significant increase in credit risk is presumed if the counterparty is more than 30 days past due in making contractual payment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

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

a) Credit risk – cont'd

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Credit impaired

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- or
- the disappearance of an active market for a security because of financial difficulties.

Default event

The company considers a financial asset in default when the counterparty fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the counterparty is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Write-off

Financial assets are written off (either partially or in full) to the extent that there is no reasonable expectation of recovery or when counterparty fails to make contractual payment more than 365 days past due. However, financial assets that are written off could still be subject to enforcement activities to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

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

a) Credit risk – cont'd

Write-off – cont'd

The company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss provision (ECL)
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected credit losses.
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses.
Grade III	Interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses.
Write-off	Interest and/or principal is more than 365 days past due or there is evidence indicating the counterparty is in severe financial difficulty and there is no reasonable expectation of recovery	Amount is written off

The following are qualitative information about amounts arising from expected credit losses.

- Impairment on cash and bank balances are measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances is insignificant.

- Deposits

These financial assets are considered to be low risk, and they are measured based on 12-month expected credit loss model and subject to immaterial credit loss.

Concentration of credit risk

As at the reporting date, the company has no significant concentration of credit risk.

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.

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 Risks Management Policies and Objectives – cont'd

b) Liquidity risk management – cont'd

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.

<u>2020</u>	<u>Effective interest rate</u> <u>p.a.</u> <u>%</u>	<u>Carrying amount</u> <u>US\$</u>	<u>Contractual undiscounted cash flows</u>		<u>Total</u> <u>US\$</u>
			<u>One year Or less</u> <u>US\$</u>	<u>Two to five years</u> <u>US\$</u>	
<u>Non-derivative</u>					
<u>Financial liabilities:</u>					
Loan from holding company	3 months USD LIBOR + 2.75%	126,769,000	-	126,769,000	126,769,000
Other payables	-	2,592,553	2,592,553	-	2,592,553
Total undiscounted financial liabilities		<u>129,361,553</u>	<u>2,592,553</u>	<u>126,769,000</u>	<u>129,361,553</u>

<u>2019</u>	<u>Effective interest rate</u> <u>p.a.</u> <u>%</u>	<u>Carrying amount</u> <u>US\$</u>	<u>Contractual undiscounted cash flows</u>		<u>Total</u> <u>US\$</u>
			<u>One year Or less</u> <u>US\$</u>	<u>Two to five years</u> <u>US\$</u>	
<u>Non-derivative</u>					
<u>Financial liabilities:</u>					
Loan from holding company	3 months USD LIBOR + 2.75%	9,519,000	-	9,519,000	9,519,000
Other payables	-	346,211	346,211	-	346,211
Total undiscounted financial liabilities		<u>9,865,211</u>	<u>346,211</u>	<u>9,519,000</u>	<u>9,865,211</u>

c) 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 and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

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) Fair value of financial assets and financial liabilities – cont'd

No disclosure of fair value are made for amount due to holding company as it is not practical to determine their fair value with sufficient reliability since the balance is repayable only when the cash flows of the Company permit.

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.

	<u>2020</u> US\$	<u>2019</u> US\$
Loan from holding company	126,769,000	9,519,000
Other payables	2,592,553	346,211
Less: Cash and bank balances	<u>(328,677)</u>	<u>(831,424)</u>
Net debt	129,032,876	9,033,787
Total equity	<u>(1,877,503)</u>	<u>(165,059)</u>
Total capital	<u>127,155,373</u>	<u>8,868,728</u>
Gearing ratio	<u>N.M</u>	<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.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY – cont'd

Related parties in these financial statements refer to members of the ultimate holding company's group of companies. In addition, parties are considered to be related, if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances with related parties are unsecured, repayable on demand and interest free unless otherwise stated.

The following significant related party transactions took place during the financial year:

	2020	2019
	US\$	US\$
Immediate holding company		
- Interest expense	(2,574,955)	-
- Loan from holding company	(126,769,000)	-
Subsidiary		
- Interest income	646,311	-
- Loan to subsidiary	45,248,065	-

7. PLANT AND EQUIPMENT

	Computers	Renovation	Total
	US\$	US\$	US\$
<u>Cost</u>			
At 1.4.2018	-	-	-
Addition	1,746	46,400	48,146
At 31.3.2019	1,746	46,400	48,146
At 1.4.2019	1,746	46,400	48,146
Addition	-	-	-
At 31.3.2020	1,746	46,400	48,146
<u>Accumulated depreciation</u>			
At 1.4.2018	-	-	-
Charge for the year	545	3,331	3,876
At 31.3.2019	545	3,331	3,876
At 1.4.2019	545	3,331	3,876
Charge for the year	582	9,280	9,862
At 31.3.2020	1,127	12,611	13,738
<u>Net book value</u>			
At 31.3.2020	619	33,789	34,408
At 31.3.2019	1,201	43,069	44,270

At the end of the reporting period, the company carried out a review of the recoverable amount of all plant and equipment. There were no allowances for impairment or revisions to the useful lives required for plant and equipment.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

8. INVESTMENT IN SUBSIDIARY

	<u>2020</u> US\$	<u>2019</u> US\$
<u>Unquoted equity investment at cost</u>		
Adani Yangon International Terminal Company Limited	60,000,686	1,000

Details of the subsidiary is as follows:

<u>Name of the subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Equity holding</u>	
			<u>2020</u> %	<u>2019</u> %
Adani Yangon International Terminal Company Limited	Development, operation and maintenance of port.	Republic of Myanmar	100	100

Consolidated financial statements of the Company and its subsidiary are not prepared as the Company itself is a wholly owned subsidiary of another corporation. The ultimate holding company, Adani Ports and Special Economic Zone Limited prepares consolidated financial statements which are available for public use at the registered address at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad -380 009.

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

9. CAPITAL WORK IN PROGRESS – PROJECT ADVANCE

	<u>2020</u> US\$	<u>2019</u> US\$
Beginning of year	1,203,384	-
Additions during the year	11,903,312	1,203,384
End of year	13,106,696	1,203,384

This pertains to project advance given towards capital work in progress by way of payment to vendors supplying goods and services to complete the container port terminal for Adani Yangon.

10. ADVANCES

	<u>2020</u> US\$	<u>2019</u> US\$
Advances to third parties	1,600,000	7,600,000

In December 2018, Adani International Terminal Pte Ltd entered into a Memorandum of Agreement with Myanmar Economic Corporation to develop, operate and maintain a container port terminal in Myanmar. The advances include US\$6 million given to Myanmar Economic Corporation as advance for land use premium and the remaining amounts were for consultancy services to other third parties.

Advance given to third parties are denominated in United States dollar.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. LOAN TO SUBSIDIARY

Loan to subsidiary is unsecured and repayable on or before 31 March 2031. It bears interest at a rate of 3 months USD LIBOR + 3.25% per annum. The loan is not expected to be repayable within the next twelve months.

12. OTHER RECEIVABLES

	<u>2020</u> US\$	<u>2019</u> US\$
Rental deposit	11,371	11,371
Prepayments	-	8,703
Interest receivables	646,311	-
Advance to third party	2,150,000	-
Advance to related party	4,357,646	-
	<u>7,165,328</u>	<u>20,074</u>

Other receivables are denominated in United States dollar.

13. CASH AND BANK BALANCES

	<u>2020</u> US\$	<u>2019</u> US\$
Cash on hand	77	72
Cash at bank	328,600	831,352
	<u>328,677</u>	<u>831,424</u>

Cash and bank balances are denominated in the following currencies:

	<u>2020</u> US\$	<u>2019</u> US\$
Singapore dollar	1,849	5,975
United States dollar	326,828	825,449
	<u>328,677</u>	<u>831,424</u>

14. SHARE CAPITAL

	<u>2020</u> <u>Number of ordinary shares</u>	<u>2019</u> <u>Number of ordinary shares</u>	<u>2020</u> US\$	<u>2019</u> US\$
<u>Issued and fully paid up</u>				
Ordinary shares	<u>1,000</u>	<u>1,000</u>	<u>759</u>	<u>759</u>

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

15. LOAN FROM HOLDING COMPANY

Loan from holding company is unsecured and repayable on or before 31 March 2031. It bears interest at a rate of 3 months USD LIBOR + 2.75% per annum. The loan is not expected to be repayable within the next twelve months.

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

16. OTHER PAYABLES

	<u>2020</u> US\$	<u>2019</u> US\$
Due to related party	11,457	342,354
Interest payables	2,574,955	-
Accruals	6,141	3,857
	2,592,553	346,211

Amounts due to related party is unsecured, interest free and repayable on demand.

Other payables are denominated in the following currencies:

	<u>2020</u> US\$	<u>2019</u> US\$
Singapore dollar	6,141	2,857
United States dollar	2,586,412	343,354
	2,592,553	346,211

17. LOSS FOR THE YEAR

Loss for the year has been arrived after (crediting)/charging:

	<u>2020</u> US\$	<u>2019</u> US\$
Interest income	(646,311)	-
Damage on contract settlement	(2,150,000)	-
Short term employee benefits	48,434	-
Foreign currency exchange loss	6	-
Professional fees	150,269	61,172
	150,269	61,172

18. INCOME TAX

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

	<u>2020</u> US\$	<u>2019</u> US\$
Loss before income tax	(1,712,444)	(70,074)
Income tax expense at statutory rate 17%	(291,115)	(11,912)
Income tax effects of:		
- tax loss disregarded	291,115	11,912
	-	-

ADANI INTERNATIONAL TERMINALS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

19. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

<u>2020</u>	<u>Holding Company (Note 15)</u> US\$	<u>Subsidiary (Note 8)</u>	<u>Related party (Note 16)</u> US\$
Balance at beginning of year	9,519,000	-	342,354
Proceeds	117,250,000	45,248,065	-
Repayment	-	-	(342,354)
Balance at end of year	<u>126,769,000</u>	<u>45,248,065</u>	<u>-</u>

<u>2019</u>	<u>Holding Company (Note 15)</u> US\$	<u>Related party (Note 16)</u> US\$
Balance at beginning of year	500,000	-
Proceeds	9,019,000	719,303
Repayment	-	(376,949)
Balance at end of year	<u>9,519,000</u>	<u>342,354</u>

20. 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 YEAR ENDED 31 MARCH 2020

	<u>2020</u> US\$	<u>2019</u> US\$
Revenue	-	-
Add: Other income		
Interest income	646,311	-
Damage on contract settlement	2,150,000	-
Overprovision of audit fee in prior year	2,857	-
	2,799,168	-
Less: Expenses		
Administrative expense		
Auditor's remuneration	5,615	3,173
Foreign currency exchange loss	6	-
Legal and license expenses	626	1,853
Office expenses	2,709	-
Professional fees	150,269	61,172
Rent office	30,138	-
Salary	33,000	-
Staff welfare	15,434	-
Security charges	6,529	-
Telephone	1,304	-
Travelling	2,142	-
Other expense		
Depreciation	9,862	3,876
Finance costs		
Interest on loan from holding company	2,574,955	-
Interest on short term loan	865,840	-
Bank charges	813,183	-
	(4,511,612)	(70,074)
Loss before income tax	(1,712,444)	(70,074)

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