



W & ASSOCIATES LIMITED

Audit and Assurance Services

Registered under Myanmar Companies Act, Reg. No.100184346 (05.06.2016)

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REPORT OF THE AUDITORS

To the Shareholders of the Company

on the financial statements for the year ended 31 March 2020

Report on the Financial Statements

We have audited the accompanying financial statements of **ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED (the "Company")**, which comprise the statement of financial position as at 31 March 2020, and statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and maintenance of the books of accounts; and presentation and issue of financial statements in accordance with Myanmar Companies Law 2017. Management is also responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards for small and medium-sized entities. This responsibility includes but not limited to designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and we conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the financial statements exhibit, in all material respects, the true and fair view of the financial position of the Company as of 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards for small and medium-sized entities.

Report on Legal and Regulatory Requirements

Under the Myanmar Companies Law 2017 Section 280(b), we also report that:

- We have obtained all the information and explanations we have required;
- The financial statements referred to in the report are drawn up in conformity with the law;
- To the best of information and explanations given to us and as shown by the books of the Company, the financial statements exhibit, in all material respects, a true and fair view of the state of the Company's affairs;
- The books of account have been kept by the Company as required by Section 258.

DAW NWE YIN WIN

Practising Accountant Reg. No. 67

W & Associates Limited – Certified Public Accountants

Yangon,

**STATEMENT OF THE DIRECTORS
ON THE FINANCIAL STATEMENTS
For the year ended 31 March 2020**

Under **Section 264 of Myanmar Companies Law 2017**, we hereby stated that, in the opinion of the board of directors,

- (i) The financial statements set out in pages 6 to 15 - including statement of financial position (balance sheet) and the related statement of comprehensive income (profit and loss account) - are drawn up so as to give a true and fair view of:
 - (a) the state of financial affairs of the company as at 31 March 2020; and
 - (b) of the financial results of the Company for the year then ended; and

- (ii) the books of accounts have been maintained in accordance with the **Section 258** of Myanmar Companies Law 2017.

- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Director
Mr. Sunil Seth
Director
ADANI YANGON INTERNATIONAL
TERMINAL COMPANY LIMITED.

Anandhan Naga Sayanaraj
Chief Financial Officer

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2020

	Note	12 months to 30-Mar-20 Kyat	12 months to 31-Mar-19 Kyat
Revenue		-	-
Cost of sales		-	-
Gross profit (loss)		-	-
Administrative expenses	4	-	-
Operating profit (loss)		-	-
Finance income (expense)		-	-
Profit (loss) before taxation		-	-
Taxation		-	-
Profit (loss) after taxation		-	-
Other comprehensive income (expenses)		-	-
Profit (loss) for the year		-	-

Director
 Mr. Sunil Seth
 Director
 ADANI YANGON INTERNATIONAL
 TERMINAL COMPANY LIMITED.

Anandhan Naga Sayanaraj
 Chief Financial Officer

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 March 2020

	Note	30 March 2020 Kyat	31 Mar 2019 Kyat
Non-current assets		138,012,116,054	-
Property, plant and equipment	5	133,034,966,818	-
Investment property		-	-
Construction in progress	6	4,977,149,236	-
Investments		-	-
Current assets		17,372,666,452	-
Deposits	7	3,963,122,436	-
Prepayments and advances	8	12,828,539,254	-
Trade and other receivables	9	782,393	-
Cash and cash equivalents	10	580,222,370	-
Total Assets		155,384,782,506	-
Capital and reserves attributable to equity holders of the company		90,992,528,472	-
Share capital	11	90,992,528,472	-
Capital reserves		-	-
Retained earnings (losses)		-	-
Non-current liabilities			
Loans	12	62,936,437,958	-
Current liabilities		1,455,816,076	-
Amount due to bankers		-	-
Trade and other payables	13	1,455,816,076	-
Current taxation		-	-
Capital and liabilities		155,384,782,506	-

Sunil Seth
 Director *Mr. Sunil Seth*
 Director
 ADANI YANGON INTERNATIONAL
 TERMINAL COMPANY LIMITED.

Anandhan Naga Sayanaraj
 Chief Financial Officer

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2020

	-----Attributable to equity holders of the company-----		
	Share capital	Retained earnings	Total
	MMK	MMK	MMK
2019 - 2020			
Balance at beginning of the year	-	-	-
Exchange difference	-	-	-
Net income recognised directly in equity	-	-	-
Net profit (loss) for the year	-	-	-
Total recognised income	-	-	-
Issue of shares	90,992,528,472	-	90,992,528,472
Dividend paid	-	-	-
Balance at end of the year	<u>90,992,528,472</u>	<u>-</u>	<u>90,992,528,472</u>
	Share capital	Retained earnings	Total
	MMK	MMK	MMK
2018 - 2019			
Balance at beginning of the year	786,291,903	-	-
Exchange difference	-	-	-
Net income recognised directly in equity	-	-	-
Net profit (loss) for the year	-	-	-
Total recognised income	786,291,903	-	-
Issue of shares	-	-	-
Dividend paid	-	-	-
Balance at end of the year	<u>786,291,903</u>	<u>-</u>	<u>-</u>

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2020

	31 Mar 2020	31 Mar 2019
	Kyats	Kyats
Cash flows from operating activities		
Net profit (loss)	-	-
Adjustments for:	-	-
Depreciation	-	-
Amortization	-	-
Loss on disposals of property, plant and equipment	-	-
Investment income	-	-
Interest expense	-	-
Change in working capital, net of effects from acquisition and disposal of subsidiaries	-	-
Adjustments for change of working capital	-	-
Inventories and construction work-in-progress	-	-
Trade and other receivables	(16,792,444,082)	-
Trade and other payables	1,455,816,076	-
Cash (used in)/generated from operations	(15,336,628,006)	-
Interest expense	-	-
Income tax paid	-	-
Net cash provided by (used in) operating activities	(15,336,628,006)	-
Cash flows from investing activities		
Payments for property, plant and equipment	(135,362,489,509)	-
Proceeds from disposal of property, plant and equipment	-	-
Payments for construction in progress	(2,649,626,545)	-
Interest received	-	-
Net cash provided by (used in) investing activities	(138,012,116,054)	-
Cash flows from financing activities		
Proceeds from issuance of share capital	90,992,528,472	-
Proceeds from borrowings	62,936,437,958	-
Dividend paid	-	-
Net cash provided by (used in) financing activities	153,928,966,429	-
Net (decrease)/increase in cash and cash equivalents	580,222,370	-
Cash and cash equivalents at beginning of year	-	-
Effects of currency translation on cash and cash equivalents	-	-
Cash and cash equivalents at end of year	580,222,370	-

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2020

1 General

Adani Yangon International Terminal Company Limited, Reg. No. 118856724 (22.2.2019) is a company incorporated in Myanmar Companies Law 2017 with its registered office at Unit 15, Level 10, Tower 2, HAGL Myanmar Centre, No. 192, Kaba Aye Pagoda Road, Bahan Township, Yangon, Myanmar.

The principal activities of the Company in the year are relating to the business of developing, operating and maintaining of Ahlon International Port Terminal (2) and container yard on build, operate and transfer basis. The company obtained the investment permit issued by the Myanmar Investment Commission on 26 April 2019 (Permit No. 155/2019) for the year of 50 years and extendable for 2 times for 10 years each totaling 70 years with a construction year of 30 months.

2 Basis of Financial Statements Presentation

The accompanying financial statements of the Company are prepared under historical cost convention in accordance with Myanmar Companies Law 2017 and Myanmar Financial Reporting Standards for Small and Medium-sized Entities and presented in reporting currency Myanmar Kyats (Kyat).

3 Summary of Significant Accounting Policies

3.1 Foreign Currency Translation

The Company maintained its accounting records in local currency Myanmar Kyats (Kyat) as Kyat is considered as its functional currency. The financial statements were also presented in Kyat.

Transactions denominated in foreign currency, United States Dollars (USD) are recorded into Kyat with the rates of exchange approximating those ruling at the date of transactions. Monetary assets and liabilities denominated in USD are translated into Kyat at the rates ruling at the reporting dates. Non-monetary assets and liabilities that are measured at fair value in USD are translated into the Kyat at the exchange rate when the fair value was determined.

Foreign exchange differences arising from settlement and translation of such assets and liabilities denominated in USD at reporting date are generally recognised in income statement.

Trade and other receivables

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

Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents consists of cash in hand and cash at bank balances. Fixed deposits pledged to secure banking facilities and secured bank overdraft are excluded as they are used by the Company for its financial activities.

Trade and other payables

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

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2020

4 **Administrative expenses**

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Audit fees	-	477,194
Accommodation expense	-	13,347,804
Car parking and entrance expense	-	36,500
Fuel expense	-	343,900
Mobile and internet expense	-	45,000
Printing and stationery expense	-	130,700
Staff welfare expense	-	444,795
Travelling expense	-	1,925,848
Visa and stay permit expense	-	473,118
Exchange gain/loss	-	101,053
	-	17,325,912
Less:		
Expenditure absorbed by holding company	-	(17,325,912)
	-	-

Expenditure for the year were capitalised.

5 **Property, plant and equipment**

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Cost		
Balance at beginning of the year	-	-
Additions	135,362,489,509	-
Disposals / write-off	-	-
Balance at end of the year	135,362,489,509	-
Accumulated depreciation		
Balance at beginning of the year	-	-
Charge for the year	(2,327,522,691)	-
Disposals / write-off	-	-
Balance at end of the year	(2,327,522,691)	-
Book value		
Balance at end of the year	133,034,966,818	-
Balance at beginning of the year	-	-

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2020

6 Construction in progress

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Construction in progress	4,977,149,236	-
	<u>4,977,149,236</u>	<u>-</u>

7 Deposits

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Fixed deposits	3,963,122,436	-
	<u>3,963,122,436</u>	<u>-</u>

8 Prepayments and advances

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Balances with government authorities	153,101,348	-
Advances	12,675,437,906	-
	<u>12,828,539,254</u>	<u>-</u>

9 Trade and other receivables

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Accrued interest	782,393	-
	<u>782,393</u>	<u>-</u>

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2020

10 Cash and cash equivalent

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Cash at bank - KBZ	5,518,389	-
Cash at bank - SBI	538,668,082	-
Cash at bank - Mizuho	36,035,900	-
	<u>580,222,370</u>	<u>-</u>

It was made up of:

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
In local currency, Kyat	42,480,187	-
In foreign currency, US\$	537,742,183	-
	<u>580,222,370</u>	<u>-</u>

11 Share capital

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Ordinary shares, USD 1/- per value		
Issued and fully paid-up		
Balance at beginning of year		
1.4.2019: - shares; 1.4.2018: - shares	-	-
Add:		
Shares issued during the year ending		
31.3.2020: 59,999,876 shares; 31.3.2019: 1,000 shares	90,992,528,472	1,533,000
Less:		
Call in arrears		
31.3.2020: - shares; 31.3.2019: 1,000 shares	-	1,533,000
	<u>90,992,528,472</u>	<u>-</u>
Balance at end of year		
31.3.2020: 60,000,876 shares; 31.3.2019: 1,000 shares	<u>90,992,528,472</u>	<u>-</u>

12 Long-term Liabilities

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Shareholders' Loans	62,936,437,958	-
	<u>62,936,437,958</u>	<u>-</u>

Shareholders' loans represent borrowings from holding company Adani International Terminals Pte Ltd, Singapore, unsecured with an interest rate of 3months libor+3.25% repayable starting from 2024.

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2020

13 Trade and other payables

	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
Trade payables	218,493,688	-
Financial liabilities	899,532,511	-
Trade and other payables	337,789,877	-
	<u>1,455,816,076</u>	<u>-</u>

14 Related party transactions

For the purposes of these financial statements, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control. Related parties may be individuals or other entities.

Transactions between the Company and its related parties during the financial year and at the reporting date were as follows.

Related Party	Relationship	
ADANI INTERNATIONAL TERMINALS PTE LTD	Holding company which owned 100% equity interest of the Company	
	31 Mar 2020	31 Mar 2019
	Kyat	Kyat
ADANI INTERNATIONAL TERMINALS PTE LTD		
Shareholders' Loans	62,936,437,958	-
Accrued interest	899,532,511	-

15 Comparative figures

Certain comparative figures were re-classified to be in accordance with current year's financial statements presentation.

ADANI YANGON INTERNATIONAL TERMINAL COMPANY LIMITED

SCHEDULES TO FINANCIAL STATEMENTS for the year ended 31 March 2020

Schedule - 1 : Property, Plant and Equipment

Description	Date	Cost			Dep Rate	Accumulated Depreciation			Book Value
		1.4.2019 Kyat	Additions Kyat	31.3.2020 Kyat		1.4.2019 Kyat	For the year Kyat	31.3.2020 Kyat	31.3.2020 Kyat
Land									
Leasehold land		-	135,301,200,000	135,301,200,000	2%	-	2,321,561,574	2,321,561,574	132,979,638,426
		-	135,301,200,000	135,301,200,000		-	2,321,561,574	2,321,561,574	132,979,638,426
Computer and accessories									
Printer (2PCS)	1-Oct-19	-	48,000	48,000	33%	-	8,000	8,000	40,000
		-	48,000	48,000		-	8,000	8,000	40,000
Furniture and fixture									
Airconditioner	9-Dec-19	-	1,144,800	1,144,800	20%	-	71,315	71,315	1,073,485
		-	1,144,800	1,144,800		-	71,315	71,315	1,073,485
Machinery and equipment									
Generator	1-Oct-19	-	30,846,709	30,846,709	20%	-	3,084,671	3,084,671	27,762,038
Transformer	9-Oct-19	-	29,250,000	29,250,000	20%	-	2,797,131	2,797,131	26,452,869
		-	60,096,709	60,096,709		-	5,881,802	5,881,802	54,214,907
Total		-	135,362,489,509	135,362,489,509		-	2,327,522,691	2,327,522,691	133,034,966,818