

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBER OF ADANI MUNDRA PORT PTE. LTD.**

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

*Opinion*

We have audited the financial statements of **ADANI MUNDRA PORT PTE. LTD.** (the "Company"), which comprise the statement of financial position as at 31 March 2021, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company 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 2021 and of the financial performance, changes in equity and cash flows of the Company for the period ended on that date.

*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 in the financial statements, which indicates that the Company has incurred a net loss of **US\$4,151** during the financial year ended 31 March 2021, and as of the date, the Company's total liabilities exceeded its total assets by **US\$12,535**. 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. However, its ultimate holding company has undertaken to provide unconditional financial support to the Company to enable it to discharge its obligations as and when they fall due. 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 MUNDRA PORT 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 or disposition; and transactions are properly authorised 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 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 scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks 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.



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

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

- (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.
- (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 as going concern, 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 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 PAC*

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

Date: 19 April 2021



## ADANI MUNDRA PORT PTE. LTD.

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
<b>ASSETS</b>			
<b>Current asset:</b>			
Other receivable		-	-
Total current asset		-	-
<b>Total asset</b>		-	-
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves:</b>			
Share capital	(7)	1,000	1,000
Accumulated losses		(13,535)	(9,384)
Total capital deficiencies		(12,535)	(8,384)
<b>Current liabilities:</b>			
Other payables	(8)	12,535	8,384
Total current liabilities		12,535	8,384
<b>Total liabilities</b>		12,535	8,384
<b>Total equity and liabilities</b>		-	-

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

## ADANI MUNDRA PORT PTE. LTD.

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> <u>US\$</u>	<u>2020</u> <u>US\$</u>
<b>Revenue</b>		-	-
Administrative expenses		<u>(4,151)</u>	<u>(5,025)</u>
<b>Loss before income tax</b>	(9)	<b>(4,151)</b>	(5,025)
Income tax expense	(10)	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<b>(4,151)</b>	(5,025)
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<b><u>(4,151)</u></b>	<b><u>(5,025)</u></b>

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

## ADANI MUNDRA PORT PTE. LTD.

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	<b>Share Capital US\$</b>	<b>Accumulated Losses US\$</b>	<b>Total US\$</b>
Balance as at 1 April 2019	1,000	(4,359)	(3,359)
Total comprehensive loss for the year	-	(5,025)	(5,025)
Balance as at 31 March 2020	1,000	(9,384)	(8,384)
Total comprehensive loss for the year	-	(4,151)	(4,151)
Balance as at 31 March 2021	1,000	(13,535)	(12,535)

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

## ADANI MUNDRA PORT PTE. LTD.

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
<b>Cash flows from operating activities</b>			
Loss before income tax and working capital changes		(4,151)	(5,025)
Other payables		-	2,105
Other receivable		(3,668)	1,000
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>		<b>(7,819)</b>	<b>(1,920)</b>
<b>Financing activities:</b>			
Proceed from related party	(11)	7,819	-
Proceed from immediate holding company	(11)	-	1,920
		<hr/>	<hr/>
<b>Net cash generated from financing activities</b>		<b>7,819</b>	<b>1,920</b>
Net increase in cash and bank balances		-	-
Cash and bank balances at beginning of year		-	-
		<hr/>	<hr/>
<b>Cash and bank balances at end of year</b>		<b>-</b>	<b>-</b>
		<hr/> <hr/>	<hr/> <hr/>

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

# ADANI MUNDRA PORT PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

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

### 1. GENERAL

Adani Mundra Port Pte. Ltd. ("the Company") (Registration number: 201900476H) 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 to develop, operate and maintain ports and related infrastructure facilities and other holding company.

As at the end of the reporting date, the Company has incurred a net loss of **US\$4,151** during the financial year ended 31 March 2021, and as of the date, the Company's total liabilities exceeded its total assets by **US\$12,535**. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, its ultimate holding company will continue to provide financial support to the Company to enable it to discharge its obligations as and when they fall due.

The financial statements of the Company for the financial year ended 31 March 2021 were authorised for issue by the Board of Directors on 19 April 2021.

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

##### 2.2. Changes in Accounting Policies

###### a) Adoption of new and revised FRSs

In the current financial period, the company has adopted all the new and revised FRSs and INT FRSs issued by the ASC that are relevant to its operations and effective for annual periods beginning on or after 1 April 2020. The adoption of these new/revised FRSs did not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

###### 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>
Various	Annual improvements to FRSs 2018 - 2020	1 January 2022
FRS 1	Amendments to FRS: Classification of liabilities as current and non-current	1 January 2023

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.

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

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

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

##### 2.4 Impairment of Non-Financial Assets

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

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

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

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

##### 2.5 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 conditions 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); or
  - (vii) a person identified in (a) has significant influence over the Company or is a member of the key management personnel of the Company or of a parent of the Company;
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the Company.

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

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

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

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

##### 2.6 Revenue Recognition

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

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

##### 2.7 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 in countries where the Company operate by the end of reporting period.

##### (b) Deferred tax

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

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

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

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

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

##### 2.8 Provision

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.

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

##### 2.8 Provision – cont'd

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.

##### 2.9 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

##### 2.10 Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS

Financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

##### 3.1. 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 is classified as equity instruments.

##### (b) Financial liabilities

Financial liabilities consist of other payables.

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### (c) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payables, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 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 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 are 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.

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

##### 4.1 Critical Judgement in Applying Accounting Policies – cont'd

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.

##### 4.2 Key Sources of Estimation Uncertainty

The management is of the opinion that there are no key sources of estimation uncertainty at the end of the reporting period that have a significant effect on the amounts of assets and liabilities within the next financial year. financial year are discussed below:

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

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

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

	<u>2021</u> US\$	<u>2020</u> US\$
<b><u>Financial liabilities</u></b>		
At amortised cost:		
- Other payables	<b>12,535</b>	8,384

##### 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. 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 exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, foreign currency risks, and liquidity risk. The Company is not significantly exposed to interest rate 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.

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

##### 5.2 Financial Risk Management Policies and Objectives

###### (a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company.

The company has no significant concentration of credit risk at the end of reporting period.

As the company, does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

###### *Credit risk management*

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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if the counter-party is more than 30 days past due in making contractual payment unless the company has reasonable and supportable information that demonstrates otherwise.

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

###### (b) Foreign currency exchange rate risk

The Company transacts business in various foreign currencies, including the Singapore dollar and therefore is exposed to foreign exchange risk. Foreign currency exchange rate risk exposures are naturally hedged as both cost of sales, purchases and sales are denominated in the above currencies. This natural hedge reduces significantly the financial impact of movements in the foreign currency exchange rates. Management believes that the foreign currency exchange rate risk is manageable. Hence, the Company does not use derivative financial instruments to mitigate this risk.



## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

##### (b) Foreign currency exchange rate risk – cont'd

The Company's exposure to foreign currency exchange rate risk is presented as follows in United States dollar:

	<u>Singapore dollar impact</u>	
	<u>2021</u>	<u>2020</u>
	US\$	US\$
<b>Financial liabilities</b>		
Other payables	<u>(196)</u>	<u>(912)</u>
Net exposure	<u>(196)</u>	<u>(912)</u>

##### Sensitivity analysis

The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 10% increase or decrease is used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the possible change in exchange rates.

A 10% strengthening United States dollar against the following currency would increase/(decrease) profit or loss and equity by the amount shown below:

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Singapore dollar impact	<u>(19)</u>	<u>(91)</u>

A 10% weakening of United States dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

##### (c) 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. Its ultimate holding company has agreed to provide unconditional financial support to the Company to enable it to discharge its obligations as and when they fall due as stated in Note 1 to the financial statements.

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

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

The following table summarises the Company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Company is expected to pay.

	Effective interest rate (%)	<u>Contractual undiscounted cash flows</u>		
		Carrying amount US\$	Less than 1 year US\$	Total US\$
<b>2021</b>				
<b>Financial liabilities:</b>				
<b><u>Amortised cost</u></b>				
Other payables	-	<u>12,535</u>	<u>12,535</u>	<u>12,535</u>
<b>2020</b>				
<b>Financial liabilities:</b>				
<b><u>Amortised cost</u></b>				
Other payables	-	<u>8,384</u>	<u>8,384</u>	<u>8,384</u>

##### (d) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Management has determined that the carrying amounts of other receivable and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

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

##### 5.3 Capital risk management policies and objectives

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

##### 5.3 Capital risk management policies and objectives – cont'd

The Company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as other payables less bank balances. Total capital is calculated as equity plus net debt. The Company's overall strategy remains unchanged during the year.

	<u>2021</u> US\$	<u>2020</u> US\$
Other payables	12,535	8,384
Less: Bank balances	-	-
Net debt	12,535	8,384
Total equity	(12,535)	(8,384)
Total capital	-	-
 Gearing ratio	 N.M	 N.M

N.M – Not meaningful.

The Company is not subject to any externally imposed capital requirements.

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

The Company is a wholly owned subsidiary of Adani Mundra Port Holding Pte. Ltd., incorporated in Singapore. The ultimate holding company is Adani Ports and Special Economic Zone Limited, incorporated in India.

#### 7. SHARE CAPITAL

	<u>2021</u> <u>Number of ordinary shares</u>	<u>2020</u> <u>Number of ordinary shares</u>	<u>2021</u> US\$	<u>2020</u> US\$
Issued and fully paid up:				
Ordinary shares	1,000	1,000	1,000	1,000

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

#### 8. OTHER PAYABLES

	<u>2021</u> US\$	<u>2020</u> US\$
Accrual	2,600	2,000
Immediate holding company	1,920	1,920
Related party	7,819	-
Third parties	196	4,464
	12,535	8,384

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 8. OTHER PAYABLES – cont'd

Amount due to immediate holding company and third parties are unsecured, interest-free and payable on demand.

Other payables are denominated in the following currencies:

	<u>2021</u> US\$	<u>2020</u> US\$
United States dollar	12,339	7,472
Singapore dollar	196	912
	12,535	8,384

#### 9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	<u>2021</u> US\$	<u>2020</u> US\$
Professional fee	2,151	2,715

#### 10. INCOME TAX

No provision for income tax was provided as there was no chargeable income during the year/period.

#### 11. 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.

<b>Immediate holding company (Note 8)</b>	<u>2021</u> US\$	<u>2020</u> US\$
At 1 April	1,920	-
<i>Financing cash flows:</i>		
- Loan proceeds	-	2,920
- Loan repayment	-	(1,000)
	-	1,920
At 31 March	1,920	1,920

## ADANI MUNDRA PORT PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 11. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES – cont'd

<b>Related party (Note 8)</b>	<b><u>2021</u> US\$</b>	<b><u>2020</u> US\$</b>
At 1 April	-	-
<i>Financing cash flows:</i>		
- Loan proceeds	7,819	-
- Loan repayment	-	-
	<u>7,819</u>	<u>-</u>
At 31 March	<u>7,819</u>	<u>-</u>

#### 12. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature has arisen in the interval between the end of the reporting period and the date of this report which is likely to affect substantially the results of operations of the Company for the succeeding financial year.

## ADANI MUNDRA PORT PTE. LTD.

### DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> US\$	<u>2020</u> US\$
<b>Revenue</b>	-	-
<b>Less: Administrative Expenses</b>		
Audit fee	2,000	2,000
Miscellaneous expense	-	140
Professional fee	2,151	2,715
Printing and stationery	-	170
	<u>(4,151)</u>	<u>(5,025)</u>
<b>Loss before income tax</b>	<u>(4,151)</u>	<u>(5,025)</u>

The schedule does not form part of the statutory financial statements.