

Adani Logistics International Pte
Limited

Financial Statements for the
FY 2021-22

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ADANI LOGISTICS INTERNATIONAL PTE. LTD.

(Registration number: 202019948D)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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ADANI LOGISTICS INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of **ADANI LOGISTICS INTERNATIONAL PTE. LTD.**(the "Company") for the financial year ended 31 March 2022.

1. **OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, with the continued financial support from its holding company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. **DIRECTORS**

The directors of the Company in office at the date of this statement are:

Anand Sanjay
Sandeep Mehta

3. **ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. **DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

The directors who held office at the end of the financial year had no interests in the shares of the Company and its related corporations as recorded in the register of directors' shareholdings required to be kept by the Company under Section 164 of the Singapore Companies Act, 1967.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT – cont'd

5. SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of an option to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. INDEPENDENT AUDITOR

Prudential Public Accounting Corporation, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment as auditor.



.....
Anand Sanjay
Director



.....
Sandeep Mehta
Director

Date: 19 April 2022



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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ADANI LOGISTICS INTERNATIONAL PTE. LTD.LTD.** (the "Company"), which comprise the statement of financial position as at 31 March 2022, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to 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, 1967 (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 2022 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 the 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 of the financial statements. As at 31 March 2022, the company's current liabilities exceeded its current assets by **US\$ 6,788**. 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 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ADANI LOGISTICS INTERNATIONAL 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 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 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ADANI LOGISTICS INTERNATIONAL 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 director 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: 19 April 2022



ADANI LOGISTICS INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	<u>Note</u>	<u>2022</u> <u>US\$</u>	<u>2021</u> <u>US\$</u>
ASSETS			
Current asset:			
Other receivables	(8)	<u>3,602</u>	<u>3,602</u>
Total assets		<u>3,602</u>	<u>3,602</u>
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	(9)	<u>3,602</u>	<u>3,602</u>
Accumulated loss		<u>(10,390)</u>	<u>(7,364)</u>
Capital deficiency		<u>(6,788)</u>	<u>(3,762)</u>
Current liabilities:			
Other payables	(11)	<u>10,390</u>	<u>7,364</u>
Total liabilities		<u>10,390</u>	<u>7,364</u>
Total equity and liabilities		<u>3,602</u>	<u>7,364</u>

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

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	<u>Note</u>	01 Apr 2021 To <u>31 Mar 2022</u> US\$	13 Jul 2020 To <u>31 Mar 2021</u> US\$
Revenue		-	-
Administrative cost		<u>(3,026)</u>	<u>(7,364)</u>
Loss before income tax		(3,026)	(7,364)
Income tax expense	(12)	<u>-</u>	<u>-</u>
Loss for the year		(3,026)	(7,364)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(3,026)</u>	<u>(7,364)</u>

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

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share Capital	Accumulated Losses	Total
	US\$	US\$	US\$
Balance as at date of incorporation, 13 July 2020	3,602	-	3,602
Total comprehensive loss for the period	-	(7,364)	(7,364)
Balance as at 31 March 2021	3,602	(7,364)	(3,762)
Total comprehensive loss for the year	-	(3,026)	(3,026)
Balance as at 31 March 2022	3,602	(10,390)	(6,788)

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

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	01 Apr 2021 To <u>31 Mar 2022</u> US\$	13 Jul 2020 To <u>31 Mar 2021</u> US\$
Cash flows from operating activities		
Loss before income tax and working capital changes	(3,026)	(7,364)
Other payables	3,026	(3,602)
Other receivables	-	7,364
	<hr/>	<hr/>
Net cash from operating activities	-	(3,602)
	<hr/>	<hr/>
Financing activities:		
Proceed from issue of shares	-	3,602
	<hr/>	<hr/>
Net cash used in financing activities	-	3,602
	<hr/>	<hr/>
Net increase in cash and bank balances	-	-
Cash and bank balances at beginning of year	-	-
	<hr/>	<hr/>
Cash and bank balances at end of year	<hr/> <hr/>	<hr/> <hr/>

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

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022

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

1. GENERAL

Adani Logistics International Pte. Ltd. ("the Company") (Registration number: 202019948D) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at:

3 Anson Road #22-01
Springleaf Tower
Singapore 079909

The principal activities of the company is that of other holding companies.

At the end of the reporting period, the company's current liabilities exceeded its current assets by **US\$ 6,788**. These factors raise substantial doubt that the company will be able to continue as a going concern. The holding company, however, has undertaken to provide continuing financial support to the company as and when required. The directors are satisfied that the financial support will be available when required.

The financial statements of the Company for the financial year ended 31 March 2022 were authorised for issue by the Board of Directors on 19 April 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRSs") promulgated by Accounting Standards Council ("ASC").

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for value in use in FRS 36 where measurement that have some similarities to fair value but not fair value.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.1 Basis of Accounting – cont'd

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

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

2.2. Changes in Accounting Policies

a) Adoption of new revised FRS and INT FRS

In the current financial year, 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 2021. The adoption of these new and revised FRSs and INT FRSs did not result in substantial changes to the Company's accounting policies.

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:

Effective for annual periods beginning on or after 1 January 2023

- Amendments to FRS 1: Classification of Liabilities as Current or Non-Current
- Amendments to FRS 1 and FRS 2 Practice Statement 2: Disclosure of Accounting Policies
- Amendments to FRS 8: Definition of Accounting Estimates
- Amendments to FRS 12: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction.

The management anticipate that adoption of the above FRSs, INT FRS and amendments to FRS in future periods standards will not have material impact on the financial statements of the Company in the period of their initial application.

2.3. Functional and Foreign Currency

(a) Functional and presentation currency

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

ADANI LOGISTICS INTERNATIONAL 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 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. 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.

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.

2.6. 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 period. 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 periods 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 at the end of the reporting period.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.6. Income Tax – cont'd

b) Deferred tax

Deferred income tax is provided, using the liability method on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 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 that person:
 - 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.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.7 Related Parties – cont'd

b) An entity is related to the 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) 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 the group of which it is a part, provides key management personnel services to the company or to the parent of the company.

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

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

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

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

2.8 Provision

Provisions are recognised when the company has a present obligation (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 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.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.9 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events 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 occur 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 recognized

2.10 Events after the Reporting Period

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

3. FINANCIAL INSTRUMENTS

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

Amortised Cost and Effective Interest Method

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (excluding expected credit losses) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets

(a) Classification and measurement

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.

The Company initially measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt Instruments

After initial measurement at fair value, debt instruments are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised, or impaired, and through the amortisation process. Interest income from these financial assets is included in interest income using the effective interest rate (EIR) method.

A financial asset is measured at amortised cost if the financial asset is held with the objective of collecting contractual cash flows and these contractual cash flows comprises solely principal and interest payments.

As at the reporting date, the company's financial assets at amortised cost consist of other receivables.

(b) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with all debt instruments 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.

ECL are recognised in two stages:

- (i) 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-month ECL).
- (ii) 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).

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

(c) Derecognition of financial assets

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

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

3.2. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified according 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 its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

Ordinary share capital is classified as equity.

(b) Financial liabilities at amortised cost

The company determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received net of transaction costs.

After initial recognition, they are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

As at the reporting date, the company's financial liabilities at amortised cost consist of other payables.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid recognised in profit or loss.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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.

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

Loss allowance for impairment on other receivables

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the existing and forecast industry outlook of the investee company as well as forward looking estimates at the end of each reporting period. The information about the ECLs is disclosed in Note 5.2(a).

The carrying amounts of the other receivables as at 31 March 2022 are disclosed in Note 8.

Impairment of investment in subsidiaries

The company follows the guidance of FRS 36 in determining the recoverability of its investment in subsidiary. This requires assessment as to whether the carrying values of its investment can be supported by the net present values of future cash flows derived from such investment using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The company determines forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information.

The carrying amount of the company's investment in subsidiaries is disclosed in Note 7 to the financial statements.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

5.1 Categories of Financial Assets and Financial Liabilities

	<u>2022</u> US\$	<u>2021</u> US\$
<u>Financial assets</u>		
At amortised costs:		
- Other receivables	<u>3,602</u>	<u>3,602</u>
<u>Financial liabilities</u>		
At amortised costs:		
- Other payables	<u>10,390</u>	<u>7,364</u>

5.2. Financial Risk Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal.

The company adopt a 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.

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

The company's policies for managing these risks are summarised below:

(a) Credit risk

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

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. 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. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Subsequent increase in credit risk

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.

ADANI LOGISTICS INTERNATIONAL 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

Subsequent increase in credit risk – cont'd

Regardless, a significant increase in credit risk is presumed if the counterparty 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 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.

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;
- 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 counterparty;
- A breach of contract such as a default;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

Default event

The company has determined the default event on a financial asset to be when 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

The company categorises a financial asset for potential write-off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

ADANI LOGISTICS INTERNATIONAL 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

(a) Credit risk – cont'd

Write-off – cont'd

Where financial assets have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Credit loss assessment

The following are qualitative information about amounts arising from expected credit losses from financial assets:

- Other receivable

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

Significant concentration of credit risk

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

(b) Market risk

Market risk exposures are measured using sensitivity analysis indicated below:

(i) Interest rate risk

No interest rate sensitivity analysis is disclosed as the company is not exposed to interest rate risk.

(ii) Foreign currency exchange rate risk

Foreign currency exchange rate risk arise from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future years.

The company is not exposed to foreign exchange risk as its transactions and balances are almost entirely denominated in United States Dollars.

(c) Liquidity risk

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, its holding company had 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 LOGISTICS INTERNATIONAL 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 – 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 instruments based on the earlier of the contractual date or when the company is expected to pay.

2022	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows			Total US\$
			Less than 1 year US\$	Within 2 to 5 Years US\$	More than 5 years US\$	
Financial liabilities:						
<u>Amortised cost</u>						
		10,390	10,390	-	-	10,390
Other payables						
<hr/>						
2021	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows			Total US\$
			Less than 1 year US\$	Within 2 to 5 Years US\$	More than 5 years US\$	
Financial liabilities:						
<u>Amortised cost</u>						
		7,364	7,364	-	-	7,364
Other payables						
<hr/>						

(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.

The carrying amounts of other receivables, other payables bank borrowings approximate their respective fair values because these are either short term in nature or are repriced frequently. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

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.

(e) 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 LOGISTICS INTERNATIONAL 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

(e) 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 financial period.

	<u>2022</u> <u>US\$</u>	<u>2021</u> <u>US\$</u>
Other payables	10,390	7,364
Less: cash and bank balances	<u>-</u>	<u>-</u>
Net debt	10,390	7,364
Capital deficiency	<u>(6,788)</u>	<u>(3,762)</u>
Total capital	<u>3,602</u>	<u>3,602</u>
Gearing ratio	<u>N.M.</u>	<u>N.M.</u>

N.M- Not Meaningful

The company is not subject to externally imposed capital requirement.

6. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Adani Logistics Limited incorporated in India. The ultimate holding company is Adani Ports and Special Economic Zone Limited, a company incorporated in India.

7. OTHER RECEIVABLE

	<u>2022</u> <u>US\$</u>	<u>2021</u> <u>US\$</u>
Immediate holding company	<u>3,602</u>	<u>3,602</u>

The amount owing from immediate holding company is unsecured, interest-free and repayable on demand.

Other receivable is denominated in Singapore dollar.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. SHARE CAPITAL

	<u>2022</u> <u>Number of ordinary shares</u>	<u>2021</u>	<u>2022</u> <u>US\$</u>	<u>2021</u> <u>US\$</u>
Issued and fully paid: As at beginning and end of year	<u>5,000</u>	<u>3,602</u>	<u>5,000</u>	<u>3,602</u>

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.

11. OTHER PAYABLES

	<u>2022</u> <u>US\$</u>	<u>2021</u> <u>US\$</u>
Amount due to related parties	4,786	1,246
Other payables	2,604	-
Accrued expenses	<u>3,000</u>	<u>6,118</u>
	<u>10,390</u>	<u>7,364</u>

The amounts owing to subsidiaries and immediate holding company are unsecured, interest-free and repayable on demand.

The carrying amounts of other payables are denominated in the following currencies:

	<u>2022</u> <u>US\$</u>	<u>2021</u> <u>US\$</u>
Singapore dollar	3,000	4,096
United States dollar	<u>7,390</u>	<u>3,268</u>
	<u>10,390</u>	<u>7,364</u>

12. INCOME TAX

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

13. COMPARATIVE FIGURES

The financial statements for the year ended 31 March 2022 cover the twelve months ended 31 March 2022. The financial statements for 31 March 2021 covered the financial period since the company's incorporation on 13 July 2020 to 31 March 2021. Accordingly, the comparative figures in the statement of comprehensive income and the related notes may not be comparable.

ADANI LOGISTICS INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

14. 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 LOGISTICS INTERNATIONAL PTE. LTD.

DETAILED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	01 Apr 2021 To 31 Mar 2022 US\$	13 Jul 2020 To 31 Mar 2021 US\$
Revenue	-	-
Less:		
Administrative expenses		
Auditor remuneration	2,000	2,000
- Over provision in prior year	(664)	
General expenses	-	268
Incorporation fees	-	2,364
Professional fees	400	1,000
Secretarial fee and charges	1,290	1,732
	<u>(3,026)</u>	<u>(7,364)</u>
Loss before income tax	<u>(3,026)</u>	<u>(7,364)</u>

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