

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.
(Registration number: 202121088N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

CONTENTS	PAGE
DIRECTORS' STATEMENT	1 - 2
INDEPENDENT AUDITOR'S REPORT TO THE MEMBER	3 - 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 46
DETAILED STATEMENT OF PROFIT OR LOSS	47 - 48

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of **ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.** ("the Company") for the financial period ended 31 March 2024.

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 2024 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, 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:

Sandeep Mehta
Anand Sanjay
Bharat Bhushan

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 AND DEBENTURES**

The directors who held office at the end of the financial period 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 INTERNATIONAL PORTS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT – cont'd

5. SHARE OPTIONS

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

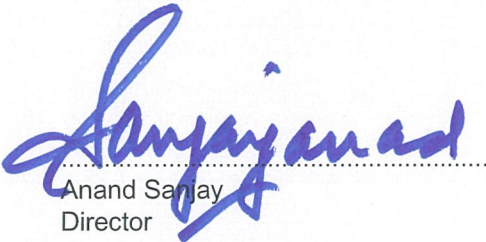
There were no shares issued during the financial period by virtue of the exercise of an option to take up unissued shares of the Company.

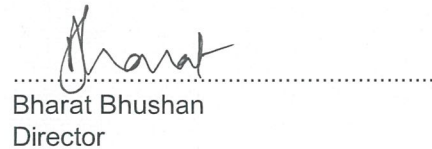
There were no unissued shares of the Company under option at the end of the financial period.

6. INDEPENDENT AUDITOR

The independent auditor, Prudential Public Accounting Corporation, Public Accountants and Chartered Accountants, have expressed their willingness to accept appointment.

On behalf of the Board of Directors


.....
Anand Sanjay
Director


.....
Bharat Bhushan
Director

Date: 26 April 2024

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.** (the "Company"), which comprise the statement of financial position as at 31 March 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2024, and notes to the financial statements, including material accounting policy information.

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 2024 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.

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.

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.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD. – cont'd**

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.
- (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.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD. – cont'd**

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

- (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: 26 April 2024



ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u> US\$	<u>2023</u> US\$
ASSETS			
Non-current assets			
Plant and equipment	(7)	4,485	-
Intangible assets	(8)	1,078,015	-
Investment in subsidiary	(9)	51,000,001	26,500,001
Investment in Joint venture	(10)	12,351	-
Loan receivable from related party	(11)	452,065,680	459,767,917
Other non-current assets	(12)	103,461,208	12,060,000
Total non-current assets		607,621,740	498,327,918
Current assets:			
Derivative financial instruments	(13)	-	19,979,733
Loan receivable from related party	(11)	4,428,733	3,776,842
Trade and other receivables	(14)	37,232,146	27,549,311
Other current assets	(15)	2,950,460	-
Bank balances	(16)	55,954,851	15,198,556
Total current assets		100,566,190	66,504,442
Total assets		708,187,930	564,832,360
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	(17)	12,305,000	12,305,000
Retained earnings		7,925,535	9,932,086
Total equity		20,230,535	22,237,086
Non-current liabilities:			
Bank borrowings	(18)	466,058,572	472,640,102
Loan from holding company	(19)	161,670,000	36,370,000
Total non-current liabilities		627,728,572	509,010,102
Current liabilities:			
Derivative financial instruments	(13)	7,093,104	2,270,011
Bank borrowings	(18)	4,140,835	3,957,749
Loan from holding company	(19)	7,140,019	1,558,277
Trade and other payables	(20)	40,328,425	24,198,018
Income tax payable	(25)	1,526,440	1,601,117
Total current liabilities		60,228,823	33,585,172
Total liabilities		687,957,395	542,595,274
Total equity and liabilities		708,187,930	564,832,360

The accompanying notes form an integral part of these financial statements.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> <u>US\$</u>	<u>2023</u> <u>US\$</u>
Revenue	(21)	93,835,230	33,878,740
Cost of services		<u>(90,782,009)</u>	<u>(28,435,347)</u>
Gross profit		3,053,221	5,443,393
Other income	(22)	34,887,665	8,349,873
Other gains and losses	(23)	7,034,961	7,243,398
Administrative expenses		(3,678,006)	(663,120)
Other expenses		(67,738)	-
Finance cost	(24)	<u>(43,236,654)</u>	<u>(8,750,933)</u>
Profit before income tax		(2,006,551)	11,622,611
Income tax expense	(25)	<u>-</u>	<u>(1,601,117)</u>
Profit for the year	(26)	(2,006,551)	10,021,494
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(2,006,551)</u>	<u>10,021,494</u>

The accompanying notes form an integral part of these financial statements.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance as at 1 April 2022	5,000	(89,408)	(84,408)
Issue of share capital	12,300,000	-	12,300,000
Total comprehensive income for the year	-	10,021,494	10,021,494
Balance as at 31 March 2023	12,305,000	9,932,086	22,237,086
Total comprehensive loss for the year	-	(2,006,551)	(2,006,551)
Balance as at 31 March 2024	12,305,000	7,925,535	20,230,535

The accompanying notes form an integral part of these financial statements.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> US\$	<u>2023</u> US\$
Cash flows from operating activities			
(Loss)/Profit before income tax		(2,006,551)	11,622,611
<u>Adjustment for:</u>			
Amortisation of deferred financial fee		292,837	68,008
Depreciation of plant and equipment	(7)	738	-
Net fair value changes from derivative financial instrument		24,802,826	(17,709,722)
Interest income		(28,152,591)	(6,448,656)
Interest expense		37,945,553	7,313,166
Exchange difference		(364,736)	10,483,097
Operating profit before working capital changes		32,518,076	5,328,504
Trade and other receivables		(9,682,835)	(27,543,904)
Trade and other payables		16,130,407	24,192,861
Other non-current assets		(91,401,208)	(12,060,000)
Other current assets		(2,950,460)	-
Cash used in operations		(55,386,020)	(10,082,539)
Income tax paid		(74,677)	-
Net cash used in operating activities		(55,460,697)	(10,082,539)
Investing activities:			
Purchase of plant and equipment	(7)	(5,223)	-
Acquisition of intangible assets	(8)	(1,078,015)	-
Additional investment in subsidiary	(9)	(24,500,000)	(11,200,000)
Acquisition of joint venture	(10)	(12,351)	-
Proceeds of loan from related party	(11)	(1,000,000)	(468,814,622)
Repayment of loan to related party	(11)	1,000,000	-
Interest income		28,312,328	-
Net cash from/(used in) investing activities		2,716,739	(480,014,622)
Financing activities:			
Proceeds from issue of shares		-	12,300,000
Proceeds from bank borrowings, net		-	471,960,082
Loan proceeds from holding company	(27)	125,300,000	21,000,000
Interest paid on loan from holding company	(27)	(1,558,277)	-
Interest paid on loan from banks	(27)	(30,241,470)	-
Net cash generated from financing activities		93,500,253	505,260,082
Net increase in bank balances		40,756,295	15,162,921
Bank balances at beginning of the year		15,198,556	35,635
Bank balances at end of the year	(16)	55,954,851	15,198,556

The accompanying notes form an integral part of these financial statements.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

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

1. GENERAL

Adani International Ports Holdings Pte. Ltd. ("the Company") (Registration number: 202121088N) 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 activity of the Company is to act as port operators and other holding companies. The company's branch, Adani International Ports Holdings Pte. Ltd. which operates in Tanzania carries on the activities of port operators, cargo handling and activities incidental to water transportation.

The financial statements of the Company for the financial period ended 31 March 2024 were authorised for issue by the Board of Directors on 26 April 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purpose, fair value measurements are described 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 statements as disclosed in Note 4.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

2.2. Changes in Accounting Policies

a) Adoption of new revised FRSs and INT FRSs

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2023. The adoption of these new/ revised FRSs and INT FRSs did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the Company were issued but not effective are as follows:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 1	Amendments to FRS 1: Classification of Liabilities as Current and Non-Current	1 January 2024
FRS 116	Amendments to FRS 116 – Lease Liability in a Sale and Leaseback	1 January 2024
FRS 7 and FRS 107	Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements	1 January 2024
FRS 110 and FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The management anticipate that the adoption of the above FRSs, interpretations and amendments to FRSs will have no material impact on the financial statements of the Company in the year of their initial adoption.

2.3. Functional and Foreign Currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

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

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

2.4. Plant and Equipment

(a) Measurement

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

(b) Component of costs

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

(c) Depreciation

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

Computers and accessories	3 years
Mobile phone	3 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(d) Subsequent expenditure

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

(e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.5. Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful from the point at which the asset is ready for use.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

2.5. Intangible Assets – cont'd

Amortisation is calculated in the straight-line method to write off the cost of intangible assets, over their estimated useful lives of 3 years.

Intangible asset refers to capitalisation of costs relating to development of software.

2.6. Investment in Subsidiary

Subsidiary is an entity controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

The Company is exempted from the requirement to prepare consolidated financial statements as the Company itself is the wholly owned subsidiary of another entity, Adani Ports and Special Economic Zone Limited which produces consolidated financial statements which are available for public use, at its registered office at Adani Corporate House, Shantigram, near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India.

2.7. Interest in Joint Venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. Interest in joint venture is stated at costs less any impairment loss.

The equity method has not been adopted for the interest in joint venture in the company's financial statements as the ultimate holding company, Adani Ports and Special Economic Zone Limited which produces consolidated financial statements which are available for public use, at its registered office at Adani Corporate House, Shantigram, near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India.

2.8. Impairment of Non-Financial Assets

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

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

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9. Bank balances

Bank balances in statements of cash flows comprise cash at bank and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as measured at amortised cost under FRS 109.

2.10. Related Party

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.
- (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 are 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 Company of which the other entity is a member;
 - iii) both entities are joint ventures of the same third party;
 - iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - vi) the entity is controlled or jointly controlled by a person identified in (a);
 - vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity; or
 - viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

2.10. Related Party – cont'd

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

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

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

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

2.11. Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Port operation services

Revenue from port operation services including cargo handling and other ancillary port services are recognised overtime.

(b) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(c) Commitment fee income and facility fee income

Income in the nature of fees is recognised in accordance with the terms and conditions of the relevant agreements with the counterparties.

2.12. Employee Benefits

(a) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

2.12. Employee Benefits – cont'd

(b) Defined contribution plans

The company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.13. 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 or substantively at the end of the reporting period.

(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 period 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.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

2.14. Deferred Financial Charges

Fees incurred for obtaining new loans or refinancing existing ones are deferred and amortised to interest expense over the life of the related debt using the effective interest method. Unamortised deferred financial charges are written off when the related debt is repaid or refinanced and such amounts are expensed in the period the repayment or refinancing is made. Such amounts are classified as a reduction of the long-term debt balance on the statement of financial position.

2.15. Provisions

Provisions are recognised when the Company has present obligations (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.16. Contingent Liabilities and Contingent Assets

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

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

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

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

2.17. 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 INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.1 Financial Assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

(a) Classification and subsequent measurement

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 that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method calculating the amortised cost of a debt instruments and of allocating interest income over the relevant period.

For financial instruments other than purchases or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) 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 INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

(a) Classification and subsequent measurement – cont'd

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

The Company's debt instruments at amortised cost consist of trade and other receivables, loan receivable from related party, and bank balances.

(b) Impairment of financial assets

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company recognises a loss allowance for expected credit losses ("ECL") in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The Company recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12m ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

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

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1 Financial Assets – cont'd

(b) Impairment of financial assets – cont'd

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets gross carrying amount at the reporting date; or for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at reporting date, together with any additional amounts expected to be draw down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

(c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired or it transfers the financial asset and substantially all the risks and rewards or 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 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.

(b) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below market interest rates are measured in accordance with the specific accounting policies set out below.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2 Equity and Financial Liabilities – cont'd

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the liabilities are contingent consideration of an acquirer in a business combination, held for trading, or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held-for-trading, or designated as at FVTPL, are subsequently measured at amortised cost using effective interest method.

The effective interest method is calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities at amortised cost comprises trade and other payables, bank borrowings and loan from holding company.

(c) Derecognition of financial liabilities

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

3.3 Derivative Financial Instruments

The Company uses foreign currency forward contracts to manage its exposure to foreign exchange rate risks arising from the foreign currency loans.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.3 Derivative Financial Instruments – cont'd

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value as at each reporting date. Changes in the fair value of the derivative instruments are recognised immediately in profit or loss. Other derivatives are presented as current assets or current liabilities in the statement of financial position.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1. Critical judgements made in applying material accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Income taxes

Significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations including capital allowances and deductibility of certain expenses for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the company's income tax payables are disclosed in Note 25 to the financial statements.

(b) Determination of functional currency

The company measures foreign currency transactions in the functional currency of the company. In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales price of its goods and services. The functional currency of the company is determined based on the management's assessment of the economic environment in which the company operates and the company's process of determining sales prices.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

4.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of 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:

(a) Impairment of plant and equipment

The company assesses annually whether plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of plant and equipment have been determined based on value-in use calculations. These calculations and valuations require the use of judgment and estimates on future operating cash flows and discount rates adopted. The carrying amount of the company's plant and equipment as at the reporting date are disclosed in the Note 7 to the financial statements.

(b) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

(c) Impairment of intangible assets

Determining whether the intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which the intangible are allocated. This requires the company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amount of the company's intangible assets at the end of reporting period is disclosed in Note 8 to the financial statements.

(d) Impairment of investment in subsidiary

The Company follows the guidance of FRS 36 in determining the recoverability of its investments in subsidiary. This requires assessment as to whether the carrying values of the investment can be supported by 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 investment in subsidiary as at the end of the reporting period is disclosed in Note 9 to the financial statements.

(e) Investment in joint venture

East Africa Gateway Limited is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, East Africa Gateway Limited is classified as a joint venture of the Company.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

4.2 Key Sources of Estimation Uncertainty – cont'd

(f) Calculation of expected credit loss allowance

The Company uses a provision matrix to calculate ECL for the trade receivables except for amounts which are assessed individually. The provision rates are based on internal credit ratings with groupings of various debtors that have similar loss patterns. The provision matrix is based on the Company's historical default rates taking into consideration forward-looking information that is reasonable and supportable without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumption and expectations of future conditions.

For other receivables, management determines whether there is significant increase in credit risk of these receivables since initial recognition. Management uses judgement in making the determination and considers the credit worthiness and financial condition of the counterparties and management's view of economic conditions over the expected lives of the receivables.

The carrying amount of the Company's trade and other receivables and loan receivables as at the end of the reporting period are disclosed in Note 14 and Note 11 to the financial statements.

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

	<u>2024</u> US\$	<u>2023</u> US\$
<u>Financial assets</u>		
Financial assets at fair value through profit or loss:		
- Derivative financial instruments	-	19,979,733
Financial assets at amortised cost:		
- Loan receivable	456,494,413	463,544,759
- Trade and other receivables	37,232,146	27,543,241
- Bank balances	55,954,851	15,198,556
	<u>549,681,410</u>	<u>526,266,289</u>
<u>Financial liabilities</u>		
Financial liability at fair value through profit or loss:		
- Derivative financial instruments	7,093,104	2,270,011
Financial liabilities at amortised cost:		
- Loan from holding company	168,810,019	37,928,277
- Bank borrowings	470,199,407	476,597,851
- Trade and other payables	39,915,030	19,363,484
	<u>686,017,560</u>	<u>536,159,623</u>

ADANI INTERNATIONAL PORTS HOLDINGS 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

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The Company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the Company. The management meet periodically to analyse, formulate and monitor the specific risks such as credit risk, liquidity risk, market risk (including foreign currency risk, interest rate risk) and cash flow interest rate risk, and believe that the financial risks associated with these financial instruments are manageable.

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, foreign currency risk and liquidity risk. The Company is not significantly exposed to foreign currency risk as its operations are almost entirely in United states dollars.

The following sections provide the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

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

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from loans to related party, trade and other receivables and bank balances. The Company transacts only with recognised and creditworthy counterparties. The Company places the cash deposits with reputable banks and financial institutions with high credit ratings assigned by international credit rating agencies.

It is the Company's policy to enter into transactions with creditworthy counterparties to mitigate any significant credit risk. The Company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis.

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.

Significant concentration of credit risk

The Company's significant concentration of credit risk is with one third party customer amounting to US\$30,285,319 which accounted for 100% (2023: 99%) of its trade receivables and with its related party in respect of loan amounting to US\$456,494,413 (2023:US\$463,544,759).

ADANI INTERNATIONAL PORTS HOLDINGS 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

Significant 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 include forward-looking information. These include:

- Internal and/or external credit rating information;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations and
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if the counterparty is more than 30 days past due in making contractual payment 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 counterparty has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations.

Credit impaired

A financial asset is assessed as "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 counter-party;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

ADANI INTERNATIONAL PORTS HOLDINGS 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

Default event

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

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; or
- When a debtor fails to make contractual payments more than 365 days past due.

Where receivables 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 risk grading

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I - Performing	Counterparty has a low risk of default and does not have any past due amounts and a strong capacity to meet contractual cash flows	12-month ECL
II - Under performing	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III – Default	Amount is > 90 days past due to or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV – Write off	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

ADANI INTERNATIONAL PORTS HOLDINGS 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

The following are qualitative information on expected credit loss for financial assets under amortised cost.

- Trade and other receivables

These are due from customers that have a good credit record with the Company. The loss allowance is measured based on lifetime ECL using the provision matrix. Details of ECL are disclosed in Note 14 to the financial statements.

- Impairment on loan to related party and amount due from subsidiary

Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to management accounts and cash flows), management has determined that credit risk has not increased significantly since initial recognition. Therefore, impairment on these balances have been measured on the 12 months ECL basis; and the amount of the allowance is insignificant.

- Loss allowance on bank balances

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

(b) Interest rate risk

Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the Company's results in the current reporting period and in future years.

The Company is exposed to interest rate risk through the impact of rate changes. The interest rates on loan receivable, bank borrowings and loan from holding company are subject to changes in accordance with the bank's prime lending rates and are contractually re-priced at regular intervals. Exposure to interest rate risk is monitored on an ongoing basis with the primary objective of limiting the extent to which net interest exposure could be affected by an adverse movement in interest rates. The Company's policy is to obtain most favourable interest rate available in the market. Management believes that the interest rate risk is manageable. Hence, the Company does not use derivative financial instruments to mitigate this risk.

In addition, the Company has bank balances placed with reputable financial institutions, which generate interest income for the Company. The Company manages its interest rate risks by placing such balances on varying maturities and interest rate terms. The risk exposure is not significant as interest income is not a significant source of the Company's income.

ADANI INTERNATIONAL PORTS HOLDINGS 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) Interest rate risk – cont'd

Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments during the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rate had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 March 2024 would decrease/increase by **US\$94,570** (2023: US\$98,600).

(c) Foreign exchange risk management

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

The Company transacts mainly in United States dollar, Israeli Shekel and Japanese Yen.

The company has exposure to foreign exchange risk management due to assets and liabilities being in currencies other than functional currency.

The Company use forward contracts to hedge its exposure to foreign currency risk. The Company has loan to its related party and bank borrowings which are denominated in Israeli Shekel and Japanese Yen respectively.

The Company's exposures to foreign currency risk in equivalent US\$ based on the information provided by management are as follows:

<u>2024</u>	<u>Israeli Shekel</u>	<u>Japanese Yen</u>
	US\$	US\$
<u>Financial assets</u>		
- Loan receivables	<u>456,494,413</u>	<u>-</u>
<u>Financial liabilities</u>		
- Bank borrowings	<u>-</u>	<u>(67,283,377)</u>
Net exposure	<u>456,494,413</u>	<u>(67,283,377)</u>

ADANI INTERNATIONAL PORTS HOLDINGS 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) Foreign exchange risk management – cont'd

<u>2023</u>	<u>Israeli Shekel</u> <u>US\$</u>	<u>Japanese Yen</u> <u>US\$</u>
<u>Financial assets</u>		
- Loan receivables	<u>463,544,759</u>	<u>-</u>
<u>Financial liabilities</u>		
- Bank borrowings	<u>-</u>	<u>(76,154,110)</u>
Net exposure	<u>463,544,759</u>	<u>(76,154,110)</u>

Sensitivity analysis

The analysis is prepared assuming the amount of assets and liabilities 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 of the above currencies against the United States dollar would increase/(decrease) profit or loss by the amount shown below:

	<u>2024</u> <u>US\$</u>	<u>2023</u> <u>US\$</u>
Israeli Shekel impact	<u>45,649,441</u>	46,354,476
Japanese Yen impact	<u>(6,728,338)</u>	<u>(7,615,411)</u>

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

(d) 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.

In the management of the liquidity risk, the Company monitors and maintains a level of bank balances and internally cash flows to finance their activities. The Company finances their liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available.

ADANI INTERNATIONAL PORTS HOLDINGS 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

(d) Liquidity risk management – cont'd

The following table summarises the remaining contractual maturity for its derivative and non derivative financial instruments at the end of the reporting period. The table has been drawn up based on the undiscounted cash flows of financial assets and financial liabilities based on the earliest date on which the Company can be required to receive and pay.

<u>2024</u>	<u>Effective Interest Rate</u>	<u>Less than 1 year</u> US\$	<u>Within 2 to 5 years</u> US\$	<u>Later than 5 years</u> US\$	<u>Contractual Amount</u> US\$	<u>Carrying Amount</u> US\$
Financial assets						
Derivative financial instruments						
<i>Financial asset at fair value through profit or loss:</i>						
- Derivative financial instruments	-	-	-	-	-	-
Non-derivative financial instruments						
<i>Financial assets at amortised cost:</i>						
Loan receivable from related party	6.34%	31,559,646	472,442,727	-	504,002,373	456,494,413
Trade and other receivables	-	31,784,554	-	-	31,784,554	31,784,554
Bank balances	-	55,954,851	-	-	55,954,851	55,954,851
		119,299,051	472,442,727	-	591,741,778	544,233,818
Financial liabilities						
Derivative financial instruments						
<i>Financial liability at fair value through profit or loss:</i>						
- Derivative financial instruments	-	7,093,104	-	-	7,093,104	7,093,104
Non-derivative financial instruments						
<i>Financial liabilities at amortised cost:</i>						
- Loan from holding company	7.10%	11,639,519	195,376,771	-	207,016,290	168,810,019
- Bank borrowings	0.79% to 6.32%	21,815,506	484,153,497	-	505,969,003	470,199,408
- Trade and other payables	-	40,328,425	-	-	40,328,425	40,328,425
		80,876,554	679,530,268	-	760,406,822	686,430,956
Net exposure of asset and (liability)		38,422,497	(207,087,541)	-	(168,665,044)	(142,197,138)

ADANI INTERNATIONAL PORTS HOLDINGS 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

(d) Liquidity risk management – cont'd

2023	Effective Interest Rate	Less than 1 year US\$	Within 2 to 5 years US\$	Later than 5 years US\$	Contractual Amount US\$	Carrying Amount US\$
Financial assets						
Derivative financial instruments						
<i>Financial asset at fair value through profit or loss:</i>						
- Derivative financial instruments	-	19,979,733	-	-	19,979,733	19,979,733
Non-derivative financial instruments						
<i>Financial assets at amortised cost:</i>						
Loan receivable from related party	6.53%	32,032,184	511,231,614	-	543,263,798	463,544,759
Trade and other receivables	-	27,549,311	-	-	27,549,311	27,549,311
Bank balances	-	15,198,556	-	-	15,198,556	15,198,556
		94,759,784	511,231,614	-	605,991,398	526,272,359
Financial liabilities						
Derivative financial instruments						
<i>Financial liability at fair value through profit or loss:</i>						
- Derivative financial instruments	-	2,270,011	-	-	2,270,011	2,270,011
Non-derivative financial instruments						
<i>Financial liabilities at amortised cost:</i>						
- Loan from holding company	3.26% to 7.10%	2,625,652	46,578,476	-	49,204,128	37,928,277
- Bank borrowings	0.79% to 6.32%	23,089,852	514,925,692	-	538,015,543	476,597,851
- Trade and other payables	-	24,198,018	-	-	24,198,018	24,198,018
		52,183,533	561,504,168	-	613,687,700	540,994,157
		42,576,251	(50,272,554)	-	(7,696,302)	(14,721,798)
Net exposure						

ADANI INTERNATIONAL PORTS HOLDINGS 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) Fair value of financial assets and financial liabilities

(i) Financial assets and 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 trade and other receivables, loan receivable, trade and other payables, loan from holding company and bank borrowings based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature and are repriced at regular intervals, see Note 5.2(b).

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.

(ii) Fair values of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

	Fair Value		Fair Value Hierarchy	Valuation Technique and Key Impact	Significant unobservable input	Relationship of unobservable inputs to fair value
	Assets	Liabilities				
	2024	2023				
Financial Assets / Financial Liabilities	US\$	US\$				
<u>Derivative financial instruments (Note 13)</u>						
- Forward foreign currency contracts	-	19,979,733	Level 2	Quoted forward currency rates at end of reporting period	N.A.	N.A.
		7,093,104				
		2,270,011				
		US\$				
		US\$				

ADANI INTERNATIONAL PORTS HOLDINGS 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) Fair value of financial assets and financial liabilities – cont'd

The company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follow:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

During the financial year ended 31 March 2024, there was no transfer between instruments in Level 1, Level 2 and Level 3, or vice versa.

5.3 Capital Risk Management Policies and Objectives

The Company manages its capital to ensure that the Company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value.

In order to maintain or adjust the capital structure, the Company may, adjust the dividend payment to equity holders, issue new shares, return capital to the equity holders, obtain new borrowings or redeem borrowings.

The Company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as bank borrowings plus loan from holding company and trade and 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>2024</u> US\$	<u>2023</u> US\$
Loan from holding company	168,810,019	37,928,277
Bank borrowings	470,199,407	476,597,851
Trade and other payables	40,328,425	24,198,018
Less: Bank balances	<u>(55,954,851)</u>	<u>(15,198,556)</u>
Net debt	623,383,000	523,525,590
Total equity	<u>20,230,535</u>	<u>22,237,086</u>
Total capital	<u>643,613,535</u>	<u>545,762,676</u>
Gearing ratio	<u>96%</u>	<u>96%</u>

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

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. HOLDING COMPANIES AND RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited, incorporated in India, which is also the Company's ultimate holding company.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the transactions and arrangements are with the companies and related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

(a) Transactions with holding company:

	<u>2024</u> US\$	<u>2023</u> US\$
Loan interest	7,140,019	1,513,390
Guarantee Commission	<u>3,058,182</u>	<u>757,352</u>

(b) Transactions with related parties:

	<u>2024</u> US\$	<u>2023</u> US\$
Facility fee income	1,913,689	444,436
Interest income	<u>27,332,833</u>	<u>6,443,249</u>

(c) Transactions with subsidiary:

	<u>2024</u> US\$	<u>2023</u> US\$
Facility fee income	<u>18,555</u>	<u>301,101</u>

7. PLANT AND EQUIPMENT

<u>2024</u>	<u>Computers</u>	<u>Mobile Phone</u>	<u>Printer</u>	<u>Total</u>
	US\$	US\$	US\$	US\$
<u>Cost</u>				
As at 1 April 2023	-	-	-	-
Addition	3,318	1,724	181	5,223
As at 31 March 2024	3,318	1,724	181	5,223
<u>Accumulated depreciation</u>				
As at 1 April 2023	-	-	-	-
Charge for the year	(525)	(162)	(51)	(738)
As at 31 March 2024	(525)	(162)	(51)	(738)
<u>Carrying Amount</u>				
As at 31 March 2024	2,793	1,562	130	4,485
As at 31 March 2023	-	-	-	-

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. PLANT AND EQUIPMENT – cont'd

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

8. INTANGIBLE ASSETS

<u>2024</u>	<u>Software under development</u> US\$	<u>Total</u> US\$
<u>Cost</u>		
At 1.4.2023	-	-
Addition	<u>1,078,015</u>	<u>1,078,015</u>
At 31.3.2024	<u>1,078,015</u>	<u>1,078,015</u>
<u>Carrying amount</u>		
At 31.3.2024	<u>1,078,015</u>	<u>1,078,015</u>

At the end of the reporting period, the company carried out a review of the recoverable amount of intangible assets. As a result, there were no allowances for impairment or revisions to the useful lives required for intangible assets.

9. INVESTMENT IN SUBSIDIARY

	<u>2024</u> US\$	<u>2023</u> US\$
<u>Unquoted equity investments at cost</u>		
Colombo West International Terminal (Pvt) Ltd	<u>51,000,001</u>	<u>26,500,001</u>

Details of the subsidiary are as follows:

<u>Name of the subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Equity holding</u>	
			<u>2024</u> %	<u>2023</u> %
Colombo West International Terminal (Pvt) Ltd	Development, operation and maintenance port	Colombo, Sri Lanka	51	51

The subsidiary's financial statements is audited by Ernst & Young, Colombo Sri Lanka.

The Company subscribed for and was allotted 41,498,738 equity share and 36,045,440 equity share at LKR100 per share on 10 April 2023 and 23 May 2023 respectively for consideration of US\$12,750,000 and US\$11,750,000.

In prior year, the Company subscribed for and was allotted 40,849,097 equity share at LKR100 per share for cash consideration of US\$11,200,000.

The financial statements of its subsidiary have not been consolidated with the Company's financial statements because the Company is a wholly owned subsidiary of Adani Ports and Special Economic Zone Limited, with registered office at Adani Corporate House, Shantigram, near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India which prepares and makes available for public use, the consolidated financial statements.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

9. INVESTMENT IN SUBSIDIARY – cont'd

At the end of the reporting period, the Company carried out a review on the recoverable amount of its investment in subsidiary. There was no allowance for impairment required for the subsidiary.

10. INTEREST IN JOINT VENTURES

	<u>2024</u> US\$	<u>2023</u> US\$
Unquoted equity investments at cost	<u>12,351</u>	<u>-</u>

Details of the joint ventures are as follows:

<u>Name of the joint venture</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Equity holding</u>	
			<u>2024</u> %	<u>2023</u> %
East Africa Gateway Limited.	Infrastructure Enterprises Investment, Institution and Management.	Abu Dhabi Free Zone ADFZ	30	-

During the year, company invested into a joint venture in UAE for US\$12,351.

The equity method has not been adopted for the interest in joint venture in the company's financial statements as the ultimate holding company, Adani Ports and Special Economic Zone Limited which produces consolidated financial statements which are available for public use, at its registered office at Adani Corporate House, Shantigram, near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India.

At the end of the reporting period, the company carried out a review on the recoverable amount of its interest in joint ventures. The review revealed no impairment in value required.

11. LOAN RECEIVABLE FROM RELATED PARTY

	<u>2024</u> US\$	<u>2023</u> US\$
Loan to related party	453,546,783	462,351,080
Interest receivable	6,283,512	6,443,249
	<u>459,830,295</u>	<u>468,794,329</u>
Less: Deferred financial charges	<u>(3,335,882)</u>	<u>(5,249,570)</u>
	<u>456,494,413</u>	<u>463,544,759</u>
Analysed as:		
Current	4,428,733	3,776,842
Non-current	452,065,680	459,767,917
	<u>456,494,413</u>	<u>463,544,759</u>

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

11. LOAN RECEIVABLE FROM RELATED PARTY – cont'd

In the prior year, the Company has entered into loan agreement with a related party (MIAPL) for the amount of NIS 1,775 million (US\$475 million). The loan bears interest at Bank of Israel plus 2.15% per annum for the first 24 months and Bank of Israel plus 2.75% per annum thereafter.

In the same year, MIAPL made a voluntary prepayment of NIS4.1 million (US\$1.9 million). The loan is unsecured and repayable on 30 December 2025.

The purpose of the loan is to finance MIAPL's acquisition of Haifa Port Company Ltd.

The loan is denominated in Israeli Shekel.

12. OTHER NON-CURRENT ASSETS

	<u>2024</u> US\$	<u>2023</u> US\$
Advance paid		
- Aircraft (1)	69,461,208	10,000,000
- Equity advance	<u>34,000,000</u>	<u>2,060,000</u>
	<u>103,461,208</u>	<u>12,060,000</u>

(1) Advance relates to the purchase of aircraft which is scheduled for delivery in September 2024.

(2) Equity advance represents the fund paid for additional share subscription in the subsidiary as disclosed in Note 9.

13. DERIVATIVE FINANCIAL INSTRUMENTS

	<u>Contractual</u> <u>Notional value</u> US\$	<u>Fair value</u>	
		<u>Asset</u> US\$	<u>Liability</u> US\$
Not designated in hedge accounting relationships			
<u>2024</u>			
Foreign currency forward contracts	<u>465,875,794</u>	<u>-</u>	<u>(7,093,104)</u>
<u>2023</u>			
Foreign currency forward contracts	<u>659,362,978</u>	<u>19,979,733</u>	<u>(2,270,011)</u>

The settlement dates of contracts are less than 12 months from the end of the reporting period.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

14. TRADE AND OTHER RECEIVABLES

	<u>2024</u> US\$	<u>2023</u> US\$
Trade receivables:		
- subsidiary	-	134,040
- third parties	30,285,319	26,075,719
ECL provision	(67,000)	-
	<u>30,218,319</u>	<u>26,209,759</u>
- accrued income	1,137,398	1,119,175
Other receivables:		
- subsidiary	361,501	208,905
- Fixed deposit interest receivable	67,336	5,402
	<u>31,784,554</u>	<u>27,543,241</u>
- VAT receivable	546,207	-
- Withholding tax receivable	4,901,385	6,070
	<u>37,232,146</u>	<u>27,549,311</u>

The amount due from subsidiary company is unsecured, interest free and repayable on demand.

Accrued income relates to the loan commitment fee receivable from a third party, Gadot Chemicals Terminals (1985) Ltd who is the guarantor for the Company's loan to MIAPL. Commitment fee is charged at 1.05% on quarterly basis on the outstanding amount.

Trade receivables are non-interest bearing and they are normally settled on 30 to 120 days term. They are not secured by any collateral or credit enhancement. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

Analysis of trade receivables as at the end of the reporting period is as follows:

<u>2024</u>	<u>Gross</u> <u>amount</u> US\$	<u>Expected</u> <u>credit loss</u> US\$	<u>Carrying</u> <u>amount</u> US\$
Current (Not past due)	19,247,110	(19,247)	19,227,863
Past due:			
1 - 30 days	8,740,284	(43,701)	8,696,583
31 to 60 days	2,297,925	(4,052)	2,293,873
	<u>30,285,319</u>	<u>(67,000)</u>	<u>30,218,319</u>
<u>2023</u>	<u>Gross</u> <u>amount</u> US\$	<u>Expected</u> <u>credit loss</u> US\$	<u>Carrying</u> <u>amount</u> US\$
Current (Not past due)	26,182,065	-*	26,182,065
Past due:			
1 - 30 days	27,694	-*	27,694
	<u>26,209,759</u>	<u>-*</u>	<u>26,209,759</u>

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

14. TRADE AND OTHER RECEIVABLES – cont'd

-* ECL is insignificant

The movement in allowance for expected credit loss of trade receivables computed based on lifetime ECL was as follows:

	<u>2024</u> US\$	<u>2023</u> US\$
At 1 April 2023	-	-
Allowance during the year	<u>67,000</u>	<u>-</u>
At 31 March 2024	<u><u>67,000</u></u>	<u><u>-</u></u>

Trade and other receivables are denominated in United states dollars.

15. OTHER CURRENT ASSETS

	<u>2024</u> US\$	<u>2023</u> US\$
Deposits	3,000	-
Prepaid expenses	61,452	-
Prepaid tax - branch	<u>2,886,008</u>	<u>-</u>
	<u><u>2,950,460</u></u>	<u><u>-</u></u>

16. BANK BALANCES

	<u>2024</u> US\$	<u>2023</u> US\$
Cash at bank	3,904,665	8,698,556
Fixed deposits	<u>52,050,186</u>	<u>6,500,000</u>
Bank balances	<u><u>55,954,851</u></u>	<u><u>15,198,556</u></u>

Fixed deposits have an original maturity of 3 months and bears interest at 4.38% to 4.53% per annum.

Bank balances are denominated in the following currencies:

	<u>2024</u> US\$	<u>2023</u> US\$
Singapore dollar	50,987	4,495
United States dollar	55,819,008	15,194,061
Tanzanian Shilling	<u>84,856</u>	<u>-</u>
	<u><u>55,954,851</u></u>	<u><u>15,198,556</u></u>

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

17. SHARE CAPITAL

	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>Number of ordinary shares</u>		<u>US\$</u>	
<u>Issued and paid up:</u>				
At beginning of the year/ date of incorporation	12,305,000	5,000	12,305,000	5,000
Issued during the year	-	12,300,000	-	12,300,000
At the end of the year	<u>12,305,000</u>	<u>12,305,000</u>	<u>12,305,000</u>	<u>12,305,000</u>

In the prior year, the Company issued 12,300,000 ordinary shares to its sole shareholder for a cash consideration of US\$12,300,000.

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

18. BANK BORROWINGS

	<u>2024</u>	<u>2023</u>
	<u>US\$</u>	
Bank borrowings	467,724,115	476,893,148
Interest payable	6,363,840	5,799,776
	<u>474,087,955</u>	<u>482,692,924</u>
Less: Deferred financial charges	<u>(3,888,548)</u>	<u>(6,095,073)</u>
	<u>470,199,407</u>	<u>476,597,851</u>
Analysed as		
Current	4,140,835	3,957,749
Non-current	<u>466,058,572</u>	<u>472,640,102</u>
	<u>470,199,407</u>	<u>476,597,851</u>

On 23 December 2022, the Company as the borrower, entered into a facility agreement for US\$400 million with two banks, Mizuho Bank Ltd and MUFG Bank Ltd., GIFT Branch (Facility A) and JPY 10,257,000,000 (equivalent of USD 77.6 Million) with Sumitomo Mitsui Banking Corporation, Singapore Branch, (Facility B) with Adani Ports and Special Economic Zone Limited (“Holding Company”) acting as guarantor. The holding company has guaranteed the Company’s performance of its obligations and liabilities for this facility.

Facility A and Facility B is repayable in full, 3 years from date of drawdown on 6 January 2023.

Facility A bears interest at Term SOFR plus margin of 1.50% per annum and Facility B bears interest at TONAR plus margin of 0.75% per annum and the interest is repayable on the last day of each quarter.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

18. BANK BORROWINGS – cont'd

The purpose of the loan is to finance MIAPL's acquisition of Haifa Port Company Ltd.

Based on the financial covenants imposed by the lenders, the Company shall at all times maintain positive net assets.

Borrowings are denominated in the following currencies:

	<u>2024</u> US\$	<u>2023</u> US\$
Japanese Yen	67,283,377	76,154,110
United States dollar	<u>402,916,030</u>	<u>400,443,741</u>
	<u>470,199,407</u>	<u>476,597,851</u>

19. LOAN FROM HOLDING COMPANY

	<u>2024</u> US\$	<u>2023</u> US\$
Loan from holding company	161,670,000	36,370,000
Interest payable	<u>7,140,019</u>	<u>1,558,277</u>
	<u>168,810,019</u>	<u>37,928,277</u>
<i>Analysed of:</i>		
Non-current	161,670,000	36,370,000
Current	<u>7,140,019</u>	<u>1,558,277</u>
	<u>168,810,019</u>	<u>37,928,277</u>

The Company entered into a loan agreement with holding company for a maximum credit facility of US\$300 million (2023: US\$150 million). The loan is unsecured and repayable on or before 21 February 2027. The loan bears interest at Term SOFR + Spread 250 bps per annum and the interest is repayable within 60 days of every financial year end.

On 28 March 2023, the Company entered into a revised agreement for the change of interest rate from 3 months USD LIBOR to Term SOFR Reference Rate effective on 1 April 2024.

During the year, the Company has received additional loan from holding company amounting to US\$125,300,000.

The loan is denominated in United States dollar.

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

20. TRADE AND OTHER PAYABLES

	<u>2024</u> US\$	<u>2023</u> US\$
Trade payables – third party	8,519,380	18,314,512
Other payables:		
- holding company (Note 6)	3,058,182	757,352
- accrued expenses	26,108	14,651
- Others	183,261	276,969
Provision for consultancy fees	28,128,099	-
	<u>39,915,030</u>	<u>19,363,484</u>
- Duties and taxes payable	413,395	4,834,534
	<u>40,328,425</u>	<u>24,198,018</u>

Trade payables are unsecured, non-interest bearing and are normally settled on 30 to 60 days term.

The amount due to holding company is unsecured, interest free and repayable on demand.

Trade and other payables are denominated in United States dollar.

21. REVENUE

	<u>2024</u> US\$	<u>2023</u> US\$
<u>Revenue from contract with customers</u>		
Port operation and service fee	<u>93,835,230</u>	<u>33,878,740</u>
<u>Timing of transfer of services</u>		
Over a period of time	<u>93,835,230</u>	<u>33,878,740</u>

22. OTHER INCOME

	<u>2024</u> US\$	<u>2023</u> US\$
Commitment fee income	4,802,830	1,119,175
Amortisation of financial charges on loan receivable	1,913,689	444,436
Interest from related party loan receivable	27,332,833	6,443,249
Interest swaps	286,355	-
Interest from bank	533,403	5,412
Facility fee income	18,555	301,101
Over provision of expenses in prior year	-	36,500
	<u>34,887,665</u>	<u>8,349,873</u>

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

23. OTHER GAINS AND LOSSES

	<u>2024</u> US\$	<u>2023</u> US\$
Fair value gain from derivative financial instruments	5,438,725	17,709,722
Foreign currency exchange gain/(loss)	1,596,236	(10,466,324)
	<u>7,034,961</u>	<u>7,243,398</u>

24. FINANCE COST

	<u>2024</u> US\$	<u>2023</u> US\$
Interest on loans		
- Holding company (Note 6)	7,140,019	1,513,390
- Bank borrowings	30,805,534	5,799,776
- Amortisation of financial charges	2,206,525	513,709
- Corporate guarantee commission	3,069,576	909,029
- Agency fees	15,000	15,029
	<u>43,236,654</u>	<u>8,750,933</u>

25. INCOME TAX

a) Major component of income tax expense

	<u>2024</u> US\$	<u>2023</u> US\$
Current year's provision	-	1,601,117

b) The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	<u>2024</u> US\$	<u>2023</u> US\$
(Loss)/Profit before income tax	<u>(2,006,551)</u>	<u>11,622,611</u>
Income tax expense at statutory rate 17%	(341,114)	1,975,844
Income tax effects of:		
- effects of difference in tax rates	65,453	655,883
- non-taxable income/non-deductible expenses	426,706	(1,047,126)
- tax exemption	-	(16,014)
- others	(151,045)	32,530
	<u>-</u>	<u>1,601,117</u>

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

25. INCOME TAX – cont'd

c) Movement of income tax payables

	<u>2024</u> US\$	<u>2023</u> US\$
At beginning of year	1,601,117	-
Income tax paid	(74,677)	-
Current tax expense	-	1,601,117
	<u>1,526,440</u>	<u>1,601,117</u>

26. (LOSS)/PROFIT FOR THE YEAR

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

	<u>2024</u> US\$	<u>2023</u> US\$
Guarantee commission expense	3,058,182	909,029
Professional fees	<u>934,656</u>	<u>215,965</u>

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

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

<u>2024</u>	<u>Bank borrowings</u> <u>(Note 18)</u> US\$	<u>Loan from</u> <u>holding company</u> <u>(Note 19)</u> US\$
At 1 April 2023	476,597,851	37,928,277
<i>Financing cash flows on cash transactions:</i>		
- Loan proceeds	-	125,300,000
- Interest paid	(30,241,470)	(1,558,277)
	<u>446,356,381</u>	<u>161,670,000</u>
<i>Non-cash transactions:</i>		
- Interest charged	30,805,534	7,140,019
- Amortisation of deferred financial charges	2,206,525	-
- Exchange difference	(9,169,033)	-
	<u>23,843,026</u>	<u>7,140,019</u>
At 31 March 2024	<u>470,199,407</u>	<u>168,810,019</u>

ADANI INTERNATIONAL PORTS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

<u>2023</u>	Bank borrowings (Note 18) US\$	Loan from holding company (Note 19) US\$
At 1 April 2022	-	15,370,000
<i>Financing cash flows on cash transactions:</i>		
- Loan proceeds	478,567,599	21,000,000
- Payment of deferred financial charges	(6,607,517)	-
	471,960,082	36,370,000
<i>Non-cash transactions:</i>		
- Interest charged	5,799,776	1,558,277
- Amortisation of deferred financial charges	512,444	-
- Exchange difference	(1,674,451)	-
	4,637,769	1,558,277
At 31 March 2023	476,597,851	37,928,277

28. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen between the end of the reporting period and the date of authorisation for the issue of the financial statements which are likely to affect substantially the results of operations of the Company for the succeeding reporting period.

Adani International Ports
Holdings Pte Limited,
Singapore

Financial Statements for the
FY - 2023-24