

# **ADANI GLOBAL FZE**

**Financial statements and reports**  
**Year ended 31 March 2017**

# ADANI GLOBAL FZE

Financial statements and reports  
Year ended 31 March 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of ADANI GLOBAL FZE

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of **ADANI GLOBAL FZE** (the "Establishment"), which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Establishment as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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. Other information comprises the Directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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 on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the 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**

(continued)

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the Implementing Rules and Regulations issued by the Jabel Ali Free Zone Authority pursuant to Law No. 9 of 1992, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Establishment's internal control.
- 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**

(continued)

- 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 Establishment'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 Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

We confirm that the financial statements comply with Implementing Regulation No. 1/92 issued by the Jebel Ali Free Zone Authority pursuant to Law No. 9 of 1992. Also, in our opinion, proper books of account and other records have been maintained in accordance with the said regulation.



**PKF**

Dubai

United Arab Emirates

11 May 2017

# ADANI GLOBAL FZE

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 AED '000	2016 AED '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,612	3,841
Investment property	7	302	901
Non-current financial assets	8	--	2,256
		<u>1,914</u>	<u>6,998</u>
<b>Current assets</b>			
Inventories	9	--	35,297
Trade and other receivables	10	2,383,132	1,361,806
Amounts due from related parties	11	2,018,942	1,880,775
Other current financial assets	12	62,617	68,350
Cash and cash equivalents	13	25,018	53,750
		<u>4,489,709</u>	<u>3,399,978</u>
<b>Total assets</b>		<u><b>4,491,623</b></u>	<u><b>3,406,976</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity funds</b>			
Share capital	14	18,000	18,000
Retained earnings		2,236,544	2,201,632
		<u>2,254,544</u>	<u>2,219,632</u>
<b>Non-current liabilities</b>			
Long term borrowings	15	--	14
Provision for staff end-of-service benefits	16	791	772
		<u>791</u>	<u>786</u>
<b>Current liabilities</b>			
Short term borrowings	17	525,608	605,373
Trade and other payables	18	1,402,070	581,185
Amount due to a related party	11	308,610	--
		<u>2,236,288</u>	<u>1,186,558</u>
<b>Total liabilities</b>		<u><b>2,237,079</b></u>	<u><b>1,187,344</b></u>
<b>Total equity and liabilities</b>		<u><b>4,491,623</b></u>	<u><b>3,406,976</b></u>

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

The report of the independent auditor is set forth on pages 2 to 4.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the directors on 8 May 2017.

For ADANI GLOBAL FZE



DIRECTOR

# ADANI GLOBAL FZE

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 AED '000	2016 AED '000
Revenue		5,654,796	2,955,747
Purchases of inventory		(5,537,678)	(2,880,962)
Changes in inventories		(35,297)	19,385
Gross profit		81,821	94,170
Other operating income	21	1,408	8,484
Staff costs	22	(6,308)	(7,450)
Depreciation	23	(3,011)	(3,121)
Other operating expenses	24	(27,408)	(19,705)
Interest income	25	600	683
Finance costs	26	(34,162)	(30,333)
Changes in fair value of held for trading financial assets (net)	12	21,972	120
<b>PROFIT FOR THE YEAR</b>		<b>34,912</b>	<b>42,848</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the year		--	--
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>34,912</b>	<b>42,848</b>

The accompanying notes form an integral part of these financial statements.  
The report of the independent auditor is set forth on pages 2 to 4.

# ADANI GLOBAL FZE

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital	Retained earnings	Total
	AED '000	AED '000	AED '000
Balance at 1 April 2015	18,000	2,158,967	2,176,967
Dividend paid during the year (note 19)	--	(183)	(183)
Total comprehensive income for the year	--	42,848	42,848
Balance at 31 March 2016	18,000	2,201,632	2,219,632
Total comprehensive income for the year	--	34,912	34,912
Balance at 31 March 2017	<b>18,000</b>	<b>2,236,544</b>	<b>2,254,544</b>

The accompanying notes form an integral part of these financial statements.  
The report of the independent auditor is set forth on pages 2 to 4.



# ADANI GLOBAL FZE

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	2017 AED '000	2016 AED '000
<b>Cash flows from operating activities</b>		
Profit for the year	34,912	42,848
Adjustments for:		
Depreciation of property, plant and equipment	2,412	2,522
Depreciation on investment property	599	599
Profit on disposals of property, plant and equipment	(700)	--
Profit on disposal of investment property	--	(7,917)
Bad debts	597	--
Provision for impairment of trade receivables	285	--
Provision for impairment of advances	7,102	--
Interest income	(600)	(683)
Finance costs	34,162	30,333
Provision for end-of-service benefits	211	248
Changes in fair value of held for trading financial assets	(21,972)	(120)
	57,008	67,830
Decrease/ (increase) in inventories	35,297	(19,385)
(Increase)/ decrease in trade and other receivables	(1,027,729)	4,211
Increase in trade and other payables	822,424	413,206
Increase/ (decrease) in derivative financial assets/ liabilities	17,228	(4,613)
Staff end-of service benefits paid	(192)	(312)
Cash (used in)/ generated from operations	(95,964)	460,937
Interest paid	(35,701)	(27,106)
Net cash (used in)/ from operating activities	(131,665)	433,831
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(183)	(57)
Proceeds on disposals of property, plant and equipment	700	--
Proceeds on disposal of investment property	--	9,140
Decrease in non-current financial assets	574	1,260
Decrease in current financial assets (net)	10,477	994
Interest received	701	540
Payments to related parties (net)	(138,167)	(523,312)
Net cash used in investing activities	(125,898)	(511,435)
<b>Cash flows from financing activities</b>		
Dividend paid	--	(183)
(Payments of)/ proceeds from trust receipts (net)	(79,732)	109,353
Receipts from related parties (net)	308,610	--
Payments of vehicle loans (net)	(47)	(68)
Net cash from financing activities	228,831	109,102
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(28,732)	31,498
<b>Cash and cash equivalents at beginning of year</b>	<b>53,750</b>	<b>22,252</b>
<b>Cash and cash equivalents at end of year (note 13)</b>	<b>25,018</b>	<b>53,750</b>

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

The report of the independent auditor is set forth on pages 2 to 4.

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) **ADANI GLOBAL FZE** (the "Establishment") is registered as a Free Zone Establishment in Jebel Ali Free Zone, United Arab Emirates. The Establishment was incorporated on 22 November 1997 with limited liability pursuant to Law No. 9 of 1992 and the Implementing Regulations No. 1/92 issued by Jebel Ali Free Zone Authority. The registered office is P. O. Box 17186, Dubai, UAE.
- b) The Establishment has obtained a branch license for operating through its branch in Dubai Multi Commodities Centre. The income, expenses, assets and liabilities of this branch are included in these financial statements.
- c) The Establishment is a wholly owned subsidiary of Adani Global Limited (the "parent company"), a private company incorporated in Mauritius. Adani Enterprises Limited, India, a public limited company is the "ultimate parent company".
- d) The Establishment principally trades in metal scrap, metal finished products, coal, petroleum products, agro-commodities, refined oil products and solar energy systems and components.

### 2. BASIS OF PREPARATION

#### a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2016, and the requirements of Implementing Regulations issued by the Jebel Ali Free Zone Authority.

#### b) **Basis of measurement**

The financial statements are prepared using historical cost. Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

#### c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing financial statements, management makes an assessment of the Establishment's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Establishment or to cease operation, or has no realistic alternative but to do so.

#### d) **Adoption of new International Financial Reporting Standards**

*Standards and interpretations effective for the current year*

The International Financial Reporting Standards, amendments thereto and interpretations that became effective for the current reporting period and which are applicable to the Establishment are as follows:

- Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify existing IAS 1 requirements in relation to:

- The materiality requirements in IAS 1.
- That specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements.
- That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

*New and revised IFRSs in issue but not yet effective*

The following International Financial Reporting Standards, amendments thereto and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- IFRS 9: Financial instruments (1 January 2018)

IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2018)

The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

- IFRS 16: Leases (1 January 2019)

IFRS 16 introduces a number of significant changes to lease accounting model. It eliminates the classification of leases as either operating lease or finance lease for a lessee and instead all the leases are treated similar to a finance lease. The standard however, does not require an entity to recognise assets and liabilities for a) Short-term leases (for a period of twelve months or less) and b) Leases of low value assets.

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Establishment's functional currency and the amounts presented are rounded to the nearest thousand, unless otherwise stated.

4. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Office units and residential apartments	6 – 7 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	3 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Establishment and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Establishment recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in profit or loss.

b) **Investment property**

Freehold land and residential apartment acquired for the purpose of earning rental income and/ or capital appreciation are classified as investment property and are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated using the straight-line method over the expected useful lives of the properties of 6 - 7 years. Freehold land is not depreciated.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

c) **Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realizable value is based on estimated selling price less any estimated cost of disposal.

d) **Staff end-of-service benefits**

Provision is made for end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

e) **Revenue**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Establishment and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, returns and other similar allowances.

***Sale of goods***

The sales are high sea sales, i.e. the supplier ships goods directly to the customers. Revenue is recognised when significant risks and rewards relating to the ownership of goods concerned are transferred to the customer and is based on amount invoiced to customers for high sea sales made during the year.

f) **Rental income**

Rent received from renting of properties during the year is based on contractual agreements and is accounted on accrual basis. Rent received in advance for future periods is carried forward and included in current liabilities.

g) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

h) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

i) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred except those that are attributable to the acquisition and construction of an asset that necessarily takes a substantial period to get ready for its intended use ("qualifying asset"). Such borrowing costs are capitalised as part of the related qualifying asset upto the date the qualifying asset is ready for use.

j) **Provisions**

A provision is recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits 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 reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

k) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

**Derivative financial instruments**

Derivative financial instruments to hedge commodity forward contracts are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of the hedge relationship the Establishment documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Establishment documents whether the hedging instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the market risk in an unrecognised firm commitment.

Cash flow hedges which meet the strict criteria for hedge accounting are accounted for as follows:

The effective portion of the significant gain or loss on the hedging instrument is recognised directly in other comprehensive income as cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss. If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity are transferred to profit or loss.

### ***Financial assets***

#### ***Financial assets at fair value through profit or loss***

Investments in financial instruments in which the entity actively trades are classified as held for trading and are stated at fair value by reference to quoted market prices. Changes in fair value are recognised in profit or loss.

### ***Loans and receivables***

#### ***Non-current receivables***

Non-current financial assets that have fixed or determinable payments and for which there is no active market, which comprise non-current loans receivable are classified as loans and receivables and stated at amortised cost using the effective interest method.

#### ***Trade and other receivables***

Trade and other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue balances is recognised as it accrues.

### *Related party receivables*

Related party receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

### *Other current financial assets*

Other current financial assets which comprise deposits under encumbrance and deposits with a maturity date of more than three months from the date of deposit are classified as loans and receivables and stated at amortised cost using the effective interest method.

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash, balance in bank current accounts and call deposits.

### ***Financial liabilities***

#### ***At amortised cost***

##### *Trade and other payables*

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

##### ***Related party payables***

Related party payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

##### ***Interest-bearing liabilities***

Interest-bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequently these are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

##### ***Equity***

Equity instruments issued by the Establishment are recorded at the value of proceeds received towards interest in share capital of the Establishment.

##### ***Impairment of financial assets***

All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.



# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### ***Offsetting***

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### **l) Fair value measurement**

The Establishment measures financial instruments, such as financial assets at fair value through profit or loss, at fair value at each reporting date. The Establishment also discloses the fair value of financial instruments measured at amortised cost.

The 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

The Establishment uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In addition, the fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### **Investment property**

Freehold property is classified as investment property only if an insignificant portion of the useable space is used by the Establishment for its own activities.

Investment property is stated using the cost model.

### **Classification of investments**

Management decides on acquisition of an investment whether it should be classified as held-for-trading or as available-for-sale or as held-to-maturity based on management's intentions relating to those investments. The management classifies investments as held for trading if they are acquired primarily for the purpose of making short term gains through trading. Investments are designated as available-for-sale if management has the positive intention and ability to hold them to gain from capital appreciation and to earn dividend income. Investments are designated as held-to-maturity, if management has the positive intention and ability to hold them till their maturity.

### **Investments in quoted instruments**

Investments in quoted instruments are recognised on the trade date, as this is the date on which an asset or a liability to pay arises.

### **Impairment**

At each reporting date, management conducts an assessment of property, plant and equipment, investment property and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

## **5. KEY SOURCES OF ESTIMATION UNCERTAINTY**

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

### **Carrying values of property, plant and equipment and investment property**

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

### **Inventory provisions**

Management regularly undertakes a review of the Establishment's inventory, stated at AED Nil (previous year AED 35,297,380) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### Impairment of loans and receivables

Management regularly undertakes a review of the amounts of loans and receivables owed to the Establishment either from third parties (see note 10) or from related parties (see note 11) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

### Impairment

Assessments of net recoverable amounts of property, plant and equipment, investment property and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

### Staff end-of-service benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at AED 790,979 (previous year AED 771,814), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

## 6. PROPERTY, PLANT AND EQUIPMENT

	Office units and residential apartments <sup>(a)</sup>	Furniture, fixtures and office equipment	Motor vehicles <sup>(b)</sup>	Total
	AED '000	AED '000	AED '000	AED '000
<b>Cost</b>				
At 1 April 2015	6,526	10,027	2,014	18,567
Additions	—	57	—	57
At 31 March 2016	6,526	10,084	2,014	18,624
Additions	—	183	—	183
Disposals	(660)	—	—	(660)
Assets written off	—	(1,676)	(42)	(1,718)
At 31 March 2017	5,866	8,591	1,972	16,429
<b>Accumulated depreciation</b>				
At 1 April 2015	5,003	6,160	1,098	12,261
Depreciation	549	1,568	405	2,522
At 31 March 2016	5,552	7,728	1,503	14,783
Depreciation	505	1,541	366	2,412
Adjustments on disposals	(660)	—	—	(660)
Adjustments for write off	—	(1,676)	(42)	(1,718)
At 31 March 2017	5,397	7,593	1,827	14,817
<b>Carrying amount</b>				
At 1 April 2015	1,523	3,867	916	6,306
At 31 March 2016	974	2,356	511	3,841
At 31 March 2017	469	998	145	1,612

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

a) Office units and residential apartments include:

- Six units of residential apartments with cost AED 2,850,000 and carrying value AED 83,053 (previous year Eight units of residential apartments with cost AED 3,510,000 and AED 135,553 respectively) in the International City, Dubai.
- Four office units with cost AED 3,015,880 and net book value AED 384,722 (previous year AED 3,015,880 and AED 837,104 respectively) in Jumeirah Business Center - 5, Dubai.

b) In the previous year, vehicles with cost of AED 165,000 and carrying amount of AED Nil provided security for vehicle loans. The loan is fully settled during the current year.

### 7. INVESTMENT PROPERTY

	Freehold land	Residential apartment <sup>(a)</sup>	Total
	AED '000	AED '000	AED '000
<b>Cost</b>			
At 1 April 2015	1,223	3,992	5,215
Disposals	(1,223)	--	(1,223)
At 31 March 2016 and 31 March 2017	--	3,992	3,992
<b>Accumulated depreciation</b>			
At 1 April 2015	--	2,492	2,492
Depreciation	--	599	599
At 31 March 2016	--	3,091	3,091
Depreciation	--	599	599
At 31 March 2017	--	3,690	3,690
<b>Carrying amount</b>			
At 1 April 2015	1,223	1,500	2,723
At 31 March 2016	--	901	901
At 31 March 2017	--	302	302

a) Residential apartment represents penthouse at Zen Tower, Dubai Marina, Dubai. Freehold land at Al Barsha South Fourth, Dubai is sold in the previous year.

	2017 AED '000	2016 AED '000
<b>8. NON-CURRENT FINANCIAL ASSETS</b>		
Total loan	2,246	2,820
Less: classified as short term (note 10)	(2,246)	(564)
	--	2,256

This represents interest free term loan. The loan shall be settled as per agreed terms of repayment between the parties.

### 9. INVENTORIES

Goods held for sale	--	35,297
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# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 AED '000	2016 AED '000
<b>10. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	1,890,082	1,323,213
Advances to suppliers	27,193	27,861
Advances to directors	4,767	5,798
Other advances	299	425
Accrued interest	236	337
Prepayments	3,234	1,025
Deposits	238	231
Loan to a third party (note 8)	2,246	564
Other receivables <sup>(a)</sup>	462,224	2,352
	<b>2,392,519</b>	<b>1,361,806</b>
Less: Provision for impairment of trade receivables	(285)	—
Less: Provision for impairment of advances to suppliers	(7,102)	—
	<b>2,383,132</b>	<b>1,361,806</b>

- (a) During the year, the Establishment has bought receivables of Adani Power Limited, India and its subsidiaries aggregating to AED 453,241,356 (equivalent to USD 123,499,007) from Adani Global PTE Limited, Singapore, a related party, on non-recourse basis.

A reconciliation of the movements in the provision for impairment of trade and other receivables is as follows:

Provisions made during the year	285	—
Closing balance	285	—

An age analysis of trade receivables that are past due but not impaired is as follows:

0 – 60 days	—	69,924
61 – 180 days	923	106,608
Over 180 days	31	1,370

An analysis of trade and other receivables considered to be impaired due to non-recovery or perceived difficulty in recovery is as follows:

Gross value	285	—
Provision	(285)	—
Carrying value	—	—
Trade receivables not past due and not impaired	<b>1,888,843</b>	<b>1,145,311</b>

All significant trade receivable balances are secured by way of undated security cheques given by the customers in favour of the Establishment.

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 11. RELATED PARTIES

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise parent company, ultimate parent company, fellow subsidiaries, directors and relatives of director.

At the reporting date, significant balances with related parties were as follows:

	Ultimate parent company AED '000	Parent company AED '000	Fellow subsidiaries AED '000	Directors AED '000	Relatives of director AED '000	Total 2017 AED '000	Total 2016 AED '000
Included in trade and other receivables	2,514	—	1,330,174	4,767	—	1,337,455	—
	—	—	668,372	5,798	—	—	674,170
Included in trade and other payables	—	—	245,149	—	—	245,149	—
	—	—	405	—	—	—	405
Due from related parties	—	164,295	1,854,647	—	—	2,018,942	—
	—	164,295	1,709,783	—	6,697	—	1,880,775
Due to a related party (a)	—	—	308,610	—	—	308,610	—
	—	—	—	—	—	—	—

- a) This represents amount payable to Adani Global PTE Limited, Singapore, against purchase of receivables (refer note 10 (a)).

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 27.

Significant transactions with related parties during the year were as follows:

	Ultimate parent company AED '000	Parent company AED '000	Fellow subsidiaries AED '000	Directors AED '000	Total 2017 AED '000	Total 2016 AED '000
Sales	211,566	—	3,104,076	—	3,315,642	—
	62,805	—	1,675,065	—	—	1,737,870
Purchases of goods and services	—	—	1,016,863	—	1,016,863	—
	—	—	140,712	—	—	140,712
Remuneration and expenses	—	—	—	2,720	2,720	—
	—	—	—	2,677	—	2,677
Included in other income	—	—	83	—	83	—
Dividend paid	—	—	—	—	—	—
	—	183	—	—	—	183
Acquisition of receivables	—	—	453,241	—	453,241	—
	—	—	—	—	—	—

The Establishment also provides funds to/receives funds from related parties free of interest/ at agreed interest rates as and when required. Corporate guarantees are received from parent company in relation to facilities availed from banks.

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 AED '000	2016 AED '000
<b>12. OTHER CURRENT FINANCIAL ASSETS</b>		
Fixed deposits <sup>(a)</sup>	38,652	37,484
Margin deposits <sup>(a)</sup>	15,421	27,066
Derivative financial instruments <sup>(b)</sup>	8,544	3,800
	<b>62,617</b>	<b>68,350</b>
 (a) Fixed deposits and margin deposits are held under lien with banks as security for bank facilities availed (note 17) and letters of guarantee issued (note 30).		
 (b) The Establishment enters into contracts to hedge commodity forward contracts for purchase / sale of various commodities. At the reporting date, fair value gain on the cash flow hedges amounted to AED 8,544,232 (previous year AED 3,800,096) and being ineffective has been taken to profit or loss.		
<b>13. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	39	21
Bank balances in:		
Current accounts	24,512	53,525
Call deposits	467	204
	<b>25,018</b>	<b>53,750</b>
<b>14. SHARE CAPITAL</b>		
<b>Issued and paid up</b>		
18 fully paid shares of AED 1,000,000 each held by Adani Global Limited, Mauritius.	<b>18,000</b>	<b>18,000</b>
<b>15. LONG TERM BORROWINGS</b>		
Vehicle loans from Emirates NBD	--	47
Less: Current portion (note 17)	--	(33)
	<b>--</b>	<b>14</b>
 Vehicle loans are fully settled during the current year.		
<b>16. PROVISION FOR STAFF END-OF-SERVICE BENEFITS</b>		
Opening balance	772	836
Provision for the year	211	248
Paid during the year	(192)	(312)
Closing balance	<b>791</b>	<b>772</b>
<b>17. SHORT TERM BORROWINGS</b>		
Trust receipts	525,608	605,340
Current portion of vehicle loans (note 15)	--	33
	<b>525,608</b>	<b>605,373</b>

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

An analysis by bank of amounts outstanding is as follows:

	2017 AED '000	2016 AED '000
First Gulf Bank	57,066	136,205
Axis Bank Ltd	98,048	61,827
United Bank Limited	135,408	148,910
Habib Bank	23,687	28,401
Emirates NBD	96,392	67,868
Punjab National Bank	47,941	54,973
Banque de Commerce et de Placements	67,066	107,189
	<b>525,608</b>	<b>605,373</b>

Bank borrowings are subject to financial covenants as agreed with individual lending banks and are secured by way of:

- Personal guarantees of directors
- Corporate guarantee from the parent company
- Cash margin against facilities
- Assignment of receivables
- Undated security cheques
- Letter of undertaking/ comfort from Adani Enterprises Limited

A maturity analysis of total bank borrowings is as follows:

0 – 1 month	13,235	207,395
1 – 3 months	376,091	227,930
3 months – 1 year	136,282	170,048
Presented as current liabilities (note 17)	<b>525,608</b>	<b>605,373</b>
1 year – 5 years (note 15)	--	14
Total	<b>525,608</b>	<b>605,387</b>

### 18. TRADE AND OTHER PAYABLES

Trade payables	1,285,306	392,092
Accruals	7,030	1,314
Interest accrued	2,258	3,797
Advances from customers <sup>(a)</sup>	94,702	183,965
Deferred income	12,759	--
Rental advances and deposits	15	17
	<b>1,402,070</b>	<b>581,185</b>

- (a) These include AED 94,421,930 (previous year AED 183,901,323) towards advance received for contracts entered by the Establishment for supply of material at a future date (refer note 28).

The entire trade and other payables are due for settlement within one year.



# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 19. DIVIDENDS

There is no dividend declared during the year (previous year dividend of AED 183,317 paid and approved by the directors, represent a dividend per share of AED 10,184).

### 20. MANAGEMENT OF CAPITAL

The Establishment's objectives when managing capital are to ensure that the Establishment continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital, which is unchanged from previous year, comprises equity funds as presented in the statement of financial position together with amounts due to / due from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Establishment is subject to externally imposed capital requirements as per the provisions of the Implementing Regulation No. 1/92 issued by Jebel Ali Free Zone Authority and the bank facilities availed. The Establishment has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties are retained in the business, to limit bank borrowings as per the terms and conditions agreed with the banks and according to the business requirements to maintain capital at desired levels.

	2017 AED '000	2016 AED '000
<b>21. OTHER OPERATING INCOME</b>		
Profit on disposals of property, plant and equipment (net)	700	—
Profit on disposal of investment property	--	7,917
Rental income	463	479
Other income <sup>(a)</sup>	245	88
	<b>1,408</b>	<b>8,484</b>
a) This include income of AED 82,745 earned from a related party on assignment of receivables {refer note 10 (a) and 11}.		
<b>22. STAFF COSTS</b>		
Staff salaries and benefits	6,097	7,202
Staff end-of-service benefits	211	248
	<b>6,308</b>	<b>7,450</b>
<b>23. DEPRECIATION</b>		
On property, plant and equipment (note 6)	2,412	2,522
On investment property (note 7)	599	599
	<b>3,011</b>	<b>3,121</b>

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017 AED '000	2016 AED '000
<b>24. OTHER OPERATING EXPENSES</b>		
Operating lease expenses	189	179
Directors' remuneration	2,631	2,561
Commission to agents	107	574
Professional fees	6,805	6,912
Provision for impairment of trade receivables	285	--
Provision for impairment of advances	7,102	--
Penalty for breach of contract	2,087	1,768
Bad debts	597	210
Net exchange loss	688	810
Other expenses	6,917	6,691
	<b>27,408</b>	<b>19,705</b>
<b>25. INTEREST INCOME</b>		
On bank deposits	294	661
On customer balances	306	22
	<b>600</b>	<b>683</b>
<b>26. FINANCE COSTS</b>		
On bank borrowings	27,357	22,727
Bank charges	6,805	7,606
	<b>34,162</b>	<b>30,333</b>

### 27. FINANCIAL INSTRUMENTS

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	Loans and receivables		At fair value through profit or loss		At amortised cost	
	2017 AED 000's	2016 AED 000's	2017 AED 000's	2016 AED 000's	2017 AED 000's	2016 AED 000's
Non-current financial assets	--	2,256	--	--	--	--
Trade and other receivables	2,359,807	1,332,920	--	--	--	--
Amounts due from related parties	2,018,942	1,880,775	--	--	--	--
Other current financial assets	54,073	64,550	8,544	3,800	--	--
Cash and cash equivalents	25,018	53,750	--	--	--	--
Long term borrowings	--	--	--	--	--	14
Short term borrowings	--	--	--	--	525,608	605,373
Trade and other payables	--	--	--	--	1,306,954	396,981
Amount due to a related party	--	--	--	--	308,610	--
	<b>4,457,840</b>	<b>3,334,251</b>	<b>8,544</b>	<b>3,800</b>	<b>2,141,172</b>	<b>1,002,368</b>

### Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risk, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up. As part of the Establishment's credit risk management, where it is considered necessary, such receivables are covered by bank guarantees in favour of the Establishment, issued by high credit quality financial institutions and undated security cheques.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

The Establishment buys goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US Dollars to which the UAE Dirham is pegged.

Borrowing facilities are regularly reviewed to ensure that the Establishment obtains the best available pricing, terms and conditions on its borrowings.

Exposures to the aforementioned risks are detailed below:

### **Credit risks**

Financial assets that potentially expose the Establishment to concentrations of credit risk comprise principally non-current loans receivables, bank accounts, bank deposits, trade and other receivables and amounts due from related parties.

The Establishment's bank accounts and bank deposits are placed with high credit quality financial institutions.

Non-current loans, amounts due from related parties, trade and other receivables are stated net of the allowance for doubtful recoveries in aggregate at AED 4,378,748,940 (previous year AED 3,206,807,840). At the reporting date 78% of such receivables were due from four parties situated in India, Singapore and Australia (previous year 89% due from four parties situated in Singapore, Australia and UAE).

Significant concentration of credit risk by industry are as follows:

	2017 AED`000	2016 AED`000
Coal	1,781,097	1,233,733
Scrap metal and steel	4,589	89,479
Solar energy components & equipment	104,111	—

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

At the reporting date, the Establishment's bank balances with banks outside UAE are as follows:

	2017 AED`000	2016 AED`000
European countries	107	107

### Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed except for the following:

### Other receivables

- Australian Dollars

2,245	564
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### Trade payables

- Pound Sterling
- Indian Rupees

--	42
4	--

### Non-current financial assets

- Australian Dollars

--	2,256
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Reasonably possible changes to exchange rates at the reporting date are unlikely to have had a significant impact on profit or equity.

### Interest rate risk

The Establishment's deposits with banks and certain trade receivables balances are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk. Bank borrowings are subject to floating interest rates at levels which are fixed to LIBOR/EIBOR and are therefore exposed to cash flow interest rate risk.

At the reporting date, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 5,686,069 higher or lower (previous year AED 5,369,496) resulting in equity being lower or higher by such amount.

### Fair values

The 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. The fair values of the Establishment's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values except for long term loan to a third party in the previous year, which due to its terms, had fair value lower than its carrying value.

# ADANI GLOBAL FZE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

	Level 1		Level 2		Level 3		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Derivative financial instruments	8,544	3,800	--	--	--	--	8,544	3,800

### 28. SUPPLY COMMITMENTS

The Establishment has entered into contracts with a customer for supply of prime steel billet for an aggregate of AED 110,100,000 (equivalent to USD 30,000,000) to be delivered during the period from March 2018 to August 2018.

The Establishment has received an advance of AED 94,421,930 (equivalent to USD 25,728,046) from the customer against the above contract as at the reporting date {note 18 (a)}.

### 29. OPERATING LEASE COMMITMENTS

The Establishment has entered into non-cancellable operating leases. The total of the future lease payments is as follows:

	2017	2016
	AED '000	AED '000
Not later than one year	148	180
Between one and five years	219	672
Later than five years	--	370
30. CONTINGENT LIABILITIES		
Letters of guarantee	112	149
Unutilised balances of commercial letters of credit	72,692	27,347

For ADANI GLOBAL FZE



DIRECTOR