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2018

ADANI GLOBAL RESOURCES PTE. LTD.

(Registration number: 201724915H)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 31 AUGUST 2017 (DATE OF
INCORPORATION) TO 31 MARCH 2018**

ADANI GLOBAL RESOURCES PTE. LTD.

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 31 AUGUST 2017 (DATE OF
INCORPORATION) TO 31 MARCH 2018

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ADANI GLOBAL RESOURCES PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their first statement to the member together with the audited financial statements of **ADANI GLOBAL RESOURCES PTE. LTD.** ("the Company") for the financial year ended 31 March 2018. The financial statement covers the period since incorporation on 31 August 2017 to 31 March 2018.

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 2018 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 when they fall due.

2. DIRECTORS

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

Janakaraj Jeyakumar	(Appointed on 10 July 2018)
Anand Sanjay	(Appointed on 15 October 2018)
Kukean Deepak Vaman	(Appointed on 2 November 2018)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors who held office at the end of the financial year had no interests in the shares of the Company and its related corporations as recorded in the register of directors' shareholdings required to be kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50.

ADANI GLOBAL RESOURCES PTE. LTD.

DIRECTORS' STATEMENT – cont'd

5. SHARE OPTIONS

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

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

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

6. INDEPENDENT AUDITOR

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

On behalf of the board



.....
Kukean Deepak Vaman
Director



.....
Anand Sanjay
Director

5 November 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ADANI GLOBAL RESOURCES PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ADANI GLOBAL RESOURCES PTE. LTD.** (the "Company"), which comprise the statement of financial position as at 31 March 2018, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 31 August 2017 (date of incorporation) to 31 March 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the company as at 31 March 2018 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 GLOBAL RESOURCES 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 MEMBERS OF
ADANI GLOBAL RESOURCES 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**



5 November 2018

ADANI GLOBAL RESOURCES PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	<u>Note</u>	<u>2018</u> <u>US\$</u>
ASSETS		
Non-current assets:		
Investment in subsidiaries	(7)	<u>1,586</u>
Total non-current assets		<u>1,586</u>
Current asset:		
Other receivables	(8)	<u>2,000</u>
Total current assets		<u>2,000</u>
Total assets		<u><u>3,586</u></u>
EQUITY AND LIABILITIES		
Capital and reserves:		
Share capital	(9)	<u>1,000</u>
Retained earning		<u>-</u>
Total equity		<u>1,000</u>
Non-current liabilities:		
Convertible note	(10)	<u>1,000</u>
Total non-current liabilities		<u>1,000</u>
Current liabilities:		
Other payables	(11)	<u>1,586</u>
Total current liabilities		<u>1,586</u>
Total liabilities		<u>2,586</u>
Total equity and liabilities		<u><u>3,586</u></u>

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

ADANI GLOBAL RESOURCES PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 31 AUGUST 2017 (DATE OF
INCORPORATION) TO 31 MARCH 2018

	<u>Note</u>	31 Aug 2017 To 31 Mar 2018 US\$
Revenue		-
Administrative expenses		-
Profit before income tax		-
Income tax expense	(12)	-
Profit for the year		-
Other comprehensive income		-
Total comprehensive income for the year		-

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

ADANI GLOBAL RESOURCES PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 31 AUGUST 2017 (DATE OF INCORPORATION) TO 31 MARCH 2018

	Share Capital	Retained Earnings	Total
	US\$	US\$	US\$
Balance as at date of incorporation, 31 August 2017	1,000	-	1,000
Total comprehensive income for the year	-	-	-
Balance as at 31 March 2018	1,000	-	1,000

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

ADANI GLOBAL RESOURCES PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 31 AUGUST 2017 (DATE OF
INCORPORATION) TO 31 MARCH 2018

	<u>Note</u>	31 Aug 2017 To 31 Mar 2018 US\$
Cash flows from operating activities		
Profit before income tax and working capital changes		-
Other receivables		(1,000)
Other payables		1,586
		<hr/>
Net cash from operating activities		586
Investing activities:		
Acquisition of subsidiaries	(7)	(1,586)
		<hr/>
Net cash used in investing activities		(1,586)
Financing activities:		
Immediate holding company		
- repayment to	(8)	(1,000)
Proceed from issue of convertible note		1,000
Proceed from issue of shares	(9)	1,000
		<hr/>
Net cash from financing activities		1,000
Net increase in cash and bank balances		-
Cash and bank balances at beginning of year		-
		<hr/>
Cash and bank balances at end of year		-
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The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

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

1. GENERAL

Adani Global Resources Pte. Ltd. ("the Company") (Registration number: 201724915H) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at:

80 Raffles Place #33-20
UOB Plaza
Singapore 048624

The principal activities of the company is that of general wholesale trade, including general importers and exporters, and purchase of royalty rights.

The financial statements of the Company for the financial year ended 31 March 2018 were authorised for issue by the Board of Directors 5 November 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

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

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

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

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

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.1 Basis of Accounting – cont'd

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

2.2 Changes in Accounting Policies

a) Adoption of new revised FRS and INT FRS

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 are effective for financial periods beginning on or after 31 August 2017. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the financial statements, except as discussed below:

FRS 7: Statement of Cash Flows: Disclosure Initiative (Amendments)

FRS 7 requires an entity to provide additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes.

b) Standards issued but not yet effective

As at the date of the authorisation of these financial statements, the Company has not adopted the following FRSs and INT FRSs that have been issued but not yet effective:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contract with Customers	1 January 2018
Improvements to FRSs (December 2016)		
- FRS 101 First-Time Adoption of Financial Reporting Standards		1 January 2018

The company expect that the adoption of the above standards, interpretations and improvements, if applicable, will have no material impact on the financial statements in the period of initial application.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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.

2.4 Investment in Subsidiary

Subsidiary is an investee 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. Thus, the Company controls an investee if and only if the Company has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

Investment in subsidiaries is stated at cost less any impairment losses, if any. On disposal of such investment, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

The financial statements of its subsidiaries have not been consolidated with the Company's financial statements for reason that the Company itself is a wholly owned subsidiary of another corporation. The ultimate holding company, Adani Enterprises Ltd prepares consolidated financial statements which are available for public use. The registered office of Adani Enterprises Ltd is Adani House, Nr Mithakhali Circle, Navrangpura, Ahmedabad 380 009, Gujarat, India.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.5 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.

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

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

2.6 Related Parties

A related party is a person or an entity related to the Company and is further defined as follows:

- (a) A person or a close member of that person's family is related to the Company if he or she:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.6 Related Parties – cont'd

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

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

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

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

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

2.7 Revenue Recognition

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

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

2.8 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.8 Income Tax – cont'd

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of reporting period.

(b) Deferred tax

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

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

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

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

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

2.9 Provision

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

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.9 Provision – cont'd

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

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

2.10 Contingent Liabilities and Contingent Assets

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

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

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

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

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

2.11 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 GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS

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

3.1 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

3.2 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 investment within the time frame established by the market concerned and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets in this financial statement are classified into "loans and receivables". The classification depends on the nature and purpose of financial assets and determined at the time of initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other receivables and cash and bank balances are classified within loans and receivables on the statement of financial position.

i) Other receivables

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

(b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2 Financial Assets – cont'd

(b) Impairment of financial assets – cont'd

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counter party; or default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(c) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or its transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.3 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.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.3 Equity and Financial Liabilities – cont'd

(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.

(b) Financial liabilities

Other payables and convertible note are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

(c) Derecognition of financial liabilities

The Company derecognised financial liabilities when, and only when the Company's obligation are discharged, cancelled or they expire.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1 Critical Judgement in Applying Accounting Policies

In the application of the Company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

(a) Determination of functional currency

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 determines the sales prices of its goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment in which the Company operate and process of determining sales prices. The Company measures foreign currency transactions in the functional currency of the Company.

ADANI GLOBAL RESOURCES 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 the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of subsidiaries

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

The carrying amount of investment in subsidiaries as at the end of the reporting period is disclosed in Note 7 to the financial statements.

(b) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's financial assets at the end of the reporting period is disclosed in various notes to the financial statements.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS 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>2018</u> US\$
<u>Financial assets</u>	
Loan and receivables:	
- Other receivables	<u>2,000</u>

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

5.1 Categories of Financial Assets and Financial Liabilities – cont'd

	<u>2018</u> <u>US\$</u>
<u>Financial liabilities</u>	
Amortised cost:	
- Convertible note	1,000
- Other payables	1,586
	2,586

5.2 Financial Risk Management Policies and Objectives

The Company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the Company. The Company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the Company and believe that the financial risks associated with these financial instruments are minimal. The Company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

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

(a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to Company resulting in a loss to the Company. No formal credit limits are imposed and credit risk is managed through regular monitoring of conduct of accounts. At the end of the reporting period, the Company has no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Bank balances that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

5.2 Financial Risk Management Policies and Objectives – cont'd

(b) Market risk

Market risk exposures are measured using sensitivity analysis indicated below:

(i) Interest rate risk

The Company has cash 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.

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

(ii) Foreign currency exchange rate risk

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

The Company's operations are not exposed to foreign currency exchange rate risk as its operations are almost entirely in United States dollar.

No foreign currency exchange rate sensitivity analysis is disclosed as the Company is not exposed to foreign currency exchange rate risk.

(c) Liquidity risk management

Liquidity risk refers to the 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 generated cash flows to finance their activities. The Company finances their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

5.2 Financial Risk Management Policies and Objectives – cont'd

(c) Liquidity risk management – cont'd

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

	<u>Effective interest rate</u>	<u>Less than 1 year US\$</u>	<u>More than 5 years US\$</u>	<u>Total US\$</u>
2018				
<u>Financial liabilities</u>				
At amortised cost:				
- Convertible note	Note 10	-	1,000	1,000
- Other payables		<u>1,586</u>	<u>-</u>	<u>1,586</u>
		<u>1,586</u>	<u>1,000</u>	<u>2,586</u>

(d) Fair value of financial assets and financial liabilities

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

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

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

5.3 Capital Risk Management Policies and Objectives

The Company 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, to return capital to the equity holders, to obtain new borrowings or redemption of borrowings.

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

5.3 Capital Risk Management Policies and Objectives – cont'd

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

	<u>2018</u> <u>US\$</u>
Borrowings	1,000
Other payables	1,586
Less: cash and bank balances	-
Net debt	2,586
Total equity	1,000
Total capital	3,586
Gearing ratio	73%

6. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Adani Global Pte. Ltd., incorporated in Singapore. The ultimate holding company is Adani Enterprises Ltd, a company incorporated in India.

7. INVESTMENT IN SUBSIDIARIES

	<u>2018</u> <u>US\$</u>
<u>Unquoted equity, at cost</u>	
Carmichael Rail Network Holdings Pty Ltd	793
Carmichael Rail Asset Holdings Trust	793
	1,586

Details of the Company's subsidiaries at the end of the reporting period are as follows:

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Equity shareholding 2018</u>
Carmichael Rail Network Holdings Pty Ltd	Australia	Rail business	100%
Carmichael Rail Asset Holdings Trust	Australia	Rail business	100%

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. INVESTMENT IN SUBSIDIARIES – cont'd

During the financial year, the Company was allotted 1,000 units of Carmichael Rail Asset Holdings Trust and Carmichael Rail Network Holdings Pty Ltd and paid a total consideration of AUD\$1,000 for each of them.

One set of consolidated financial statements of the company and its subsidiaries are not prepared as the company itself is a wholly owned subsidiary of another corporation. The ultimate holding company, Adani Enterprises Ltd prepares consolidated financial statements which are available for public use. The registered office of Adani Enterprises Ltd is Adani House, Nr Mithakhali Circle, Navrangpura, Ahmedabad 380 009, Gujarat, India.

As at the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiary. The review revealed no impairment in value required during the financial year. The recoverable amount of the relevant investment in subsidiary have been determined on the basis of their net assets value at the end of the reporting period as in the opinion of the management of the company, the net assets value of the subsidiary reasonably approximate the fair value less costs to sell.

8. OTHER RECEIVABLES

	<u>2018</u> US\$
Immediate holding company	1,000
Related party	1,000
	2,000

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

9. SHARE CAPITAL

	<u>2018</u> Number of ordinary shares	<u>2018</u> US\$
<u>Issued and paid up</u> Ordinary shares	1,000	1,000
	1,000	1,000

At date of incorporation, the Company issued 1,000 ordinary shares at US\$1 per ordinary share for cash to the subscriber according to the Memorandum of Association.

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

ADANI GLOBAL RESOURCES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

10. CONVERTIBLE NOTE

	<u>2018</u> <u>US\$</u>
Convertible note - redeemable	<u>1,000</u>

During the year the company issued a Redeemable Convertible Note with a face value of USD 1,000. This note is unsecured, bears interest at 10% per annum and is redeemable in 2033. The noteholder may at any time upon giving at least 5 business days' notice to the issuer, convert some or all of the Notes into fully paid ordinary shares in accordance to the Note Conversion terms and conditions."

11. OTHER PAYABLES

	<u>2018</u> <u>US\$</u>
Amount due to subsidiaries	<u>1,586</u>

The carrying amounts of other payables, which approximate their fair value are denominated in the United States dollar.

12. INCOME TAX

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

13. COMPARATIVE FIGURES

The financial statements cover the financial period since incorporation on 31 August 2017 to 31 March 2018. This being the first set of financial statements, there are no comparative figures.

14. EVENTS AFTER THE REPORTING PERIOD

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