

ADANI GLOBAL PTE LTD

(Registration number: 200003047N)

REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

CONTENTS	PAGE
REPORT OF THE DIRECTORS	1 - 2
STATEMENT BY DIRECTORS	3
INDEPENDENT AUDITORS' REPORT TO THE MEMBER	4 - 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENTS OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 46

ADANI GLOBAL PTE LTD

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of **ADANI GLOBAL PTE LTD** (the "company") for the financial year ended 31 March 2015.

1. DIRECTORS

The directors of the company in office at the date of this report are:

Arup Roy
Tetsuo Ichikawa
Subramaniam Bala Kalyanaraman

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the company holding office at the end of the financial period had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act").

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the end of previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest except as disclosed in the attached financial statements.

ADANI GLOBAL PTE LTD

REPORT OF THE DIRECTORS

5. **OPTIONS TO TAKE UP UNISSUED SHARES**

During the financial year, no option to take up unissued shares of the company was granted.

6. **OPTIONS EXERCISED**

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

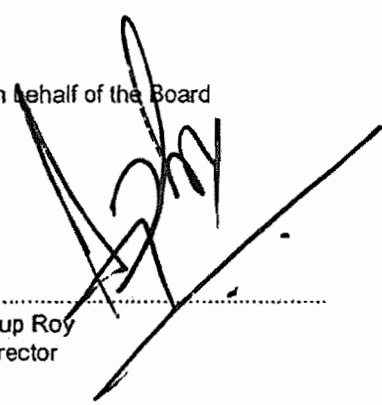
7. **UNISSUED SHARES UNDER OPTIONS**

At the end of the financial year, there were no unissued shares of the company under option.

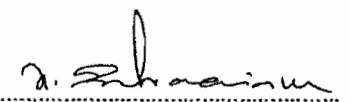
8. **INDEPENDENT AUDITORS**

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

On behalf of the Board



Arup Roy
Director



Subramaniam Bala Kalyanaraman
Director

12 May 2015

ADANI GLOBAL PTE LTD

STATEMENT BY DIRECTORS

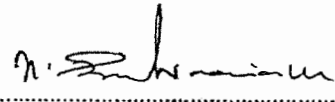
We, being the two of the directors of the company, do hereby state that in our opinion:-

- (a) the financial statements of the company set out on pages 6 to 45 are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2015, and of the results, changes in equity and cash flows of the company for the financial year than ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due; and
- (c) no consolidated financial statements have been prepared as the company itself is wholly-owned by another corporation, and the ultimate holding company prepares consolidated financial statements which are available for public use.

On behalf of the Board



Arup Roy
Director



Subramaniam Bala Kalyanaraman
Director

12 May 2015

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
ADANI GLOBAL PTE LTD**

Report on the financial statements

We have audited the accompanying financial statements of **ADANI GLOBAL PTE LTD** (the "company") which comprise the statement of financial position of the company as at 31 March 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows of the company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair in accordance with the provision of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

...2/-

p

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
ADANI GLOBAL PTE LTD – cont'd**

Opinion

In our opinion, the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2015 and of the results, changes in equity and cash flows of the company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Restriction on use and distribution

These financial statements have been prepared for purpose of providing information to Adani Enterprises Limited to enable it to prepare the consolidated financial statements of the group. This report is intended solely for the information and use of M/s. Dharmesh Parikh & Co. in conjunction with the audit of the group financial statements of Adani Enterprises Limited and should not be used by, anyone for any other purpose.

Prudential PAC

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



12 May 2015

ADANI GLOBAL PTE LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	<u>Note</u>	<u>2015</u> US\$	<u>2014</u> US\$
ASSETS			
Non-current assets:			
Property, plant and equipment	(8)	81,184	179,893
Investment properties	(9)	4,281,834	4,362,442
Investment in subsidiaries	(10)	43,725,986	42,472,783
Interest in joint venture	(11)	3,800,000	3,800,000
Total non-current assets		<u>51,889,004</u>	<u>50,815,118</u>
Current assets:			
Inventories	(12)	39,607,943	7,366,240
Trade and other receivables	(13)	2,120,346,433	1,751,440,492
Other current assets	(14)	3,727,404	5,166,488
Cash and cash equivalents	(15)	129,364,148	101,014,651
Total current assets		<u>2,293,045,928</u>	<u>1,864,987,871</u>
Total assets		<u>2,344,934,932</u>	<u>1,915,802,989</u>
EQUITY AND LIABILITIES			
Equity:			
Share capital	(16)	27,600,000	27,600,000
Retained earnings		793,302,234	622,790,369
Total equity		<u>820,902,234</u>	<u>650,390,369</u>
Non-current liabilities:			
Borrowings	(17)	41,778,342	132,225,631
Total non-current liabilities		<u>41,778,342</u>	<u>132,225,631</u>
Current liabilities:			
Borrowings	(17)	878,566,790	581,985,231
Trade and other payables	(18)	585,933,305	537,404,296
Derivative financial instruments	(19)	7,343,042	2,597,462
Income tax payables	(23)	10,411,219	11,200,000
Total current liabilities		<u>1,482,254,356</u>	<u>1,133,186,989</u>
Total liabilities		<u>1,524,032,698</u>	<u>1,265,412,620</u>
Total equity and liabilities		<u>2,344,934,932</u>	<u>1,915,802,989</u>

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

ADANI GLOBAL PTE LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

		<u>2015</u> US\$	<u>(Reclassified)</u> <u>2014</u> US\$
	<u>Note</u>		
Revenue	(20)	3,648,449,037	2,886,156,197
Cost of goods sold		<u>(3,438,577,612)</u>	<u>(2,666,492,453)</u>
Gross profit		209,871,425	219,663,744
Other income	(21)	18,017,290	23,992,228
Marketing and distribution expenses		(3,975,041)	(5,244,671)
Administrative expenses		(9,848,852)	(9,685,291)
Finance costs	(22)	(32,354,509)	(29,969,200)
Other expenses		<u>(1,029,963)</u>	<u>(2,459,126)</u>
Profit before income tax		180,680,350	196,297,684
Income tax expense	(23)	<u>(10,168,485)</u>	<u>(11,200,000)</u>
Profit for the year	(24)	170,511,865	185,097,684
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>170,511,865</u>	<u>185,097,684</u>

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

ADANI GLOBAL PTE LTD
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	<u>Share Capital</u> US\$	<u>Retained Earnings</u> US\$	<u>Total</u> US\$
Balance as at 1 April 2013	27,600,000	437,692,685	465,292,685
Total comprehensive income for the year	<u>-</u>	<u>185,097,684</u>	<u>185,097,684</u>
Balance as at 31 March 2014	27,600,000	622,790,369	650,390,369
Total comprehensive income for the year	<u>-</u>	<u>170,511,865</u>	<u>170,511,865</u>
Balance as at 31 March 2015	<u>27,600,000</u>	<u>793,302,234</u>	<u>820,902,234</u>

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

ADANI GLOBAL PTE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	<u>Note</u>	<u>2015</u> US\$	<u>2014</u> US\$
Cash flows from operating activities			
Profit before income tax		180,680,350	196,297,684
Adjustment for:			
Depreciation of property, plant and equipment		109,691	111,981
Depreciation of investment properties		80,608	80,608
Interest expense		32,354,509	29,969,200
Interest income		(16,925,723)	(19,243,182)
Operating profit before working capital changes		196,299,435	207,216,291
Inventories		(32,241,703)	(5,315,627)
Trade and other receivables		(349,281,735)	(280,241,645)
Other current assets		1,439,084	2,242,090
Derivative financial instruments		4,745,580	2,597,462
Trade and other payables		48,766,322	357,180,818
Cash (used in)/ generated from operations		(130,273,017)	283,679,389
Income tax paid		(10,957,266)	(8,939,039)
Net cash generated (used in)/ from operating activities		(141,230,283)	274,740,350
Investing activities:			
Interest received		16,626,931	20,423,809
Acquisition of subsidiaries		(1,253,203)	-
Acquisition of property, plant and equipment		(10,982)	(46,520)
Fixed deposit		(19,402,138)	(16,514,260)
Net cash (used in)/ from investing activities		(4,039,392)	3,863,029
Financing activities:			
Interest paid		(31,809,822)	(30,691,870)
Increase in net amount due from related parties		(50,659,170)	(109,683,026)
Decrease in net amount due from third parties		30,551,756	30,340,751
Proceeds/(repayment) of working capital loans-net		296,608,293	(66,811,702)
Repayment of term loans		(90,474,023)	(90,207,441)
Net cash from/ (used in) financing activities		154,217,034	(267,053,288)
Net increase in cash and cash equivalents		8,947,359	11,550,091
Cash and cash equivalents at beginning of year		27,934,005	16,383,914
Cash and cash equivalents at end of year	(15)	36,881,364	27,934,005

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

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

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

1. GENERAL

Adani Global Pte Ltd (the "company") (Registration number: 200003047N) is a private limited company, which is incorporated and domiciled in the Republic of Singapore with its principal place of business and registered office at:

80, Raffles Place #33-20
UOB Plaza
Singapore 048624

The principal activities of the company are to carry on business as general merchants, importers and exporters, commission agents and manufacturer's representative.

The financial statements of the company for the period ended 31 March 2015 were authorised in accordance with the directors' resolution dated 15 May 2015.

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 in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the 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 measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described in Note 5.

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

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2 Changes in Accounting Policies – cont'd

(a) Adoption of new and revised FRSs and INT FRSs

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the company has adopted all the new and revised FRSs and INT FRS that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014. The adoption of these standards and interpretations did not have any effect on the financial statements of the company.

(b) FRSs and INT FRSs issued not yet effective

At the date of authorisation of these financial statements, the following FRS, INT FRS and amendments that are relevant to the company were issued but not effective:

<u>Standard</u>	<u>Description</u>	<u>Effective date annual periods beginning on or after</u>
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 19	Amendments to FRS 19: Defined Benefit Plans: Employee Contributions	1 July 2014
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016
FRS 16,FRS38	Amendments to FRS 16 & FRS38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 Jan 2016
FRS 110, FRS 112, FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 Jan 2016
FRS 1115	Revenue from Contracts with Customers	1 Jan 2017
FRS 109	Financial Instruments	1 Jan 2018

The directors expect that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of initial adoption except for the following:

Amendments to FRS 19: Defined Benefit Plans: Employee Contributions

The amendments permit contributions that are independent of the number of years of service to be recognised as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to periods of service. Other contributions by employees or third parties that are not solely linked to current year service are required to be attributed to periods of service either using the plan's contribution formula or on a significant basis.

The directors do not expect any impact from applying the new amendment.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2 Changes in Accounting Policies – cont'd

(c) Improvements to FRSs Issued in 2014

The following improvements to FRSs with relevant topics and key amendments that are relevant to the company were issued in 2014 and will apply for the annual period beginning on or after 1 July 2014.

FRS 103 Business Combinations

Accounting for contingent consideration in a business combination

Key amendment clarified that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of FRS 39 or non-financial asset or liability. Changes in fair value other than measurement period adjustments should be recognised in profit or loss.

Scope exception for joint ventures

Scope section amended to clarify that FRS 103 does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets

Revaluation method: proportionate restatement of accumulated depreciation/amortisation

Key amendment removed perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant, and equipment or an intangible asset is revalued. The amended requirements clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

FRS 24 Related Party Disclosures

Key Management Personnel

Key amendment clarified that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amount incurred for the service paid or payable to the management entity for the provision of key management personnel services. However disclosure of the components for such compensation is not required.

FRS 113 Fair Value Measurement

Scope of portfolio exception

The scope of the portfolio exception to measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, FRS 39, even if those contracts do not meet the definitions of financial assets or financial liabilities within FRS 32. Consistent with the prospective initial application of FRS 113, the amendment must be applied prospectively from the beginning of the annual period in which FRS 113 was initially applied.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2 Changes in Accounting Policies – cont'd

(c) Improvements to FRSs Issued in 2014 – cont'd

The directors are currently evaluating the impact of the above improvements to FRSs.

2.3. Functional and Foreign Currency

(a) Functional and presentation currency

The financial statements of the company are measured and presented in the currency of the primary economic environment in which the entity operates ("functional currency"). Although the company is domiciled in Singapore, most of the company's transactions are denominated in United States dollar ("US\$") and the selling prices for the company's products are sensitive to movements in the foreign exchange rate with the US\$. The financial statements are presented in United States dollar, which is the functional currency of the company.

(b) Foreign currency transactions

Transactions in foreign currencies have been translated into US\$ at the foreign exchange rates ruling at the date of transactions. Monetary assets and liabilities in foreign currencies at the end of the reporting period have been converted to US\$ at the rates of exchange approximating those ruling at the end of the reporting period. Non-monetary assets and liabilities measured at cost in foreign currencies are translated to US\$ using the foreign exchange rate at the dates of the transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on non-monetary items, such as equity instruments classified as financial assets at fair value through profit or loss, are recognised as part of the fair value gain or loss. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are included in reserve in equity. All realised and unrealised foreign exchange gains and losses are recognised in profit or loss.

2.4. Property, Plant and Equipment

(a) Measurement

Property, plant and equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(b) Component of costs

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

(c) Depreciation

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

Computer & office equipment	3 years
Furniture and fitting	3 years

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.4. Property, Plant and Equipment – cont'd

(c) Depreciation – cont'd

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets. Useful lives, residual values and depreciation methods are reviewed annually. Accelerated depreciation is provided when the useful life of the asset become shorter than that initially expected.

(d) Subsequent expenditure

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

(e) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.5. Investment Property

(a) Measurement

Investment property is a property which is held on long-term basis for its investment potential and rental income. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses.

(b) Component of costs

The cost of the investment property includes its purchase price and any cost that is directly attributable to the condition necessary for it to be capable of operating in the manner intended by management.

(c) Depreciation

Depreciation is calculated using straight line method to allocate the depreciable amounts over the estimated useful lives of 60 years. The residual value, useful lives and depreciation method of investment property are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

(d) Subsequent expenditure

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

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.5 Investment Property – cont'd

(e) Derecognition

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

(f) Transfer

Transfers to or from investment property are made when and only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the carrying amount at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for investment property set out in the Note 2.5 to the financial statements, up to the date of change in use.

2.6. Investment in Subsidiaries

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

Investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

The consolidated financial statements have not been presented as the company itself is the wholly owned subsidiary of another entity and the ultimate holding company produces the consolidated financial statements which are available for public use.

2.7. Interest in Joint Venture

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

The equity method has not been adopted for the interest in joint venture in the company's financial statements as the ultimate holding company produces consolidated financial statements which are available for public use.

2.8. Impairment of Non-financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. 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.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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

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 (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable for the sale of goods and the rendering of services in the ordinary course of the company's activities. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below:

(a) Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Interest income

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

(c) Rental income

Rental income from investment property is recognised on a straight-line basis over the relevant lease term.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.9. Revenue Recognition – cont'd

(d) Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.10. Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.11 Employee Benefits

(a) Defined contribution plan

Payments to defined contribution plan (including state - managed retirement benefit schemes such as Singapore Central Provident Funds) are charged as an expense as they fall due.

(b) Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the end of the reporting period.

2.12. Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, of a qualifying asset. Capitalisation of borrowing cost commences, when the activities to prepare the asset for its intended use and expenditure and borrowing costs are being incurred. Borrowings costs are capitalised until the assets are ready for their intended use.

2.13. Operating Leases

(a) Where the company is the lessee

When the company has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made.

Contingent rents are recognised as an expense in profit or loss when incurred.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.13. Operating Leases – cont'd

(b) Where the company is the lessor

Lease of investment property where the company retains substantially all risks and rewards incidental to ownership is classified as an operating lease. Rental income from operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the company in negotiating and arranging operating leases are recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.14. Income Taxes

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

(a) Current tax

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

(b) Deferred tax

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

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

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

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

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.14. Income Taxes – cont'd

(b) Deferred tax – cont'd

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

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

(c) Good and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable and receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.15. Related Parties

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

(a) A person or a close member of that person's family is related to the company if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the company or of a parent of the company.

(b) An entity is related to the group and the company if the following conditions applies:

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

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.15. Related Parties – cont'd

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

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

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

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS24.

2.16. Provision

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of 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.

2.17. Contingent Liabilities and Contingent Assets

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

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

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

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

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.18. Event 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 the financial statements when material.

3. FINANCIAL INSTRUMENTS

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

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 (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest 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 derecognised 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 timeframe 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 these financial statements 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

Trade receivables, loans and receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Trade and other receivables, bank balances and cash are classified within loans and receivables on the statement of financial position.

(i) Trade and other receivables

Trade and 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 trade and 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.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Financial Assets – cont'd

(a) Loans and receivables – cont'd

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and demand deposits with banks with original maturity within 3 months and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(b) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are 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. 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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(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 Instrument and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of an equity instrument and a financial liability.

(a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.3. Equity Instrument and Financial Liabilities – cont'd

(b) Financial liabilities

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

Interest bearing bank borrowings and bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowing is recognised profit or loss over the period of the borrowings using the effective interest method.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.4. Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

3.5. Derivative Financial Instruments

Derivative financial instruments including commodity swap contracts, foreign exchange forward contracts and resettable prepaid commodity price swap are used to manage exposure to commodity price, foreign exchange and interest rate risks arising from operating and financing activities.

Derivative financial instruments are recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

The fair value of commodity swap contracts and foreign exchange forward contracts are based on listed market price at the commodity exchanges at the end of the reporting period.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liability.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

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

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

4.1 Critical Judgments in Applying the Company's Accounting Policies

(a) Income taxes

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

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

The carrying amount of the company's tax payable at 31 March 2015 is **US\$10,411,219** (2014: US\$11,200,000).

(b) Determination of functional currency

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

4.2 Key Sources of Estimation Uncertainties

(a) Impairment of property, plant and equipment and investment properties

The company reviews the carrying amounts of the property, plant and equipment and investment properties at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment and investment properties, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the company's financial condition and results of operations.

The carrying amount of the company's property, plant and equipment and investment properties at 31 March 2015 is **US\$81,184** and **US\$4,281,834** (2014: US\$179,893 and US\$4,362,442) respectively.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

4.1 Critical Judgments in Applying the Company's Accounting Policies – cont'd

(b) Depreciation of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The company reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of the assets and the company's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets, therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charges and consequently affect the company's result.

(c) Impairment of investment in subsidiaries

The company follows the guidance of FRS 36 in determining the recoverability of its investments in subsidiaries. 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 at 31 March 2015 is **US\$43,725,986** (2014: US\$42,472,783).

(d) Allowance for doubtful debts

An allowance for doubtful debts accounts for estimated loss resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management specifically analyses accounts receivables and analyses historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful debts. The carrying amount of trade receivable included in the statement of financial position as at 31 March 2015 was **US\$1,464,866,996** (2014: US\$1,101,502,805) after an allowance of **US\$123,425** (2014: US\$186,024).

(e) Impairment of other current assets

The company's management reviews other current assets on a regular basis to determine if any provision for impairment is necessary. The impairment loss on deposits and advance with suppliers is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of purchase of goods or to receive the services according to the original terms of contracts. Significant financial difficulties of the deposit holder and supplier, probability that the deposit holder and supplier will enter in to bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the deposits and advance with supplier are impaired. Management reassesses the impairment of deposits and advance with suppliers at the end of the reporting period.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

4.2 Key Sources of Estimation Uncertainties – cont'd

(f) Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset 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.

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

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT

5.1. Categories of Financial Assets and Liabilities

Following table sets out the financial instruments at the end of the reporting period:

	<u>2015</u> US\$	<u>2014</u> US\$
<u>Financial assets:</u>		
Trade and other receivables	2,077,376,153	1,693,602,737
Cash and bank balances	129,364,148	101,014,651
	<u>2,206,740,301</u>	<u>1,794,617,388</u>
	<u>2015</u> US\$	<u>2014</u> US\$
<u>Financial liabilities:</u>		
Derivative financial instruments	7,343,042	2,597,462
Trade and other payables	507,828,499	416,765,014
Borrowings	920,345,132	714,210,862
	<u>1,435,516,673</u>	<u>1,133,573,338</u>

5.2. Financial Risk Management Policies and Objectives

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

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

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

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

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

(a) Credit risk

Credit risk refers to risk that counterparty will default on its contractual obligations to repay amounts owing to the company resulting in a loss to the company. The company's exposure to credit risk arises primarily from its trade and other receivables. For other financial assets (including fixed deposits, cash and short-term deposits), the company minimises credit risk by dealing with high credit rating counterparties.

The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The company trades only with recognised and creditworthy counter parties including related parties. The receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

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

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good credit record with the company. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings assigned by international credit-rating agencies 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 except for trade receivables.

(b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting financial obligations due to shortage of funds. The company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In the management of the liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows. At the end of the reporting period, approximately 95% (2014: 81%) of the company's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. The management has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and other facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

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

(b) Liquidity risk – cont'd

The below table summarises the maturity profile of the company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

<u>2015</u>	<u>Effective interest rate %</u>	<u>One year or less US\$</u>	<u>Two to five years US\$</u>	<u>Over five years US\$</u>	<u>Total US\$</u>
<u>Financial liabilities:</u>					
Trade and other payables	-	507,828,499	-	-	507,828,499
Borrowings	1.5-4.2	882,845,407	42,204,823	-	925,050,230
Total undiscounted financial liabilities		<u>1,390,673,906</u>	<u>42,204,823</u>	<u>-</u>	<u>1,432,878,729</u>
<u>2014</u>		<u>One year or less US\$</u>	<u>Two to five years US\$</u>	<u>Over five years US\$</u>	<u>Total US\$</u>
<u>Financial liabilities:</u>					
Trade and other payables	-	416,765,014	-	-	416,765,014
Borrowings	1.5-4.1	589,171,423	137,635,538	-	726,806,961
Total undiscounted financial liabilities		<u>1,005,936,437</u>	<u>137,635,538</u>	<u>-</u>	<u>1,143,571,975</u>

(c) Market risk

Market risk exposures are measured using sensitivity analysis indicated below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates. The company's exposure to interest rate risk arises primarily from its loans and borrowings. All of the company's financial assets and liabilities at floating rates are contractually re-priced at intervals between 3 to 6 months (2014: between 3 to 6 months) from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if US\$ interest rates had been 50 (2014: 50) basis points lower/ higher with all other variables held constant, the company's profit before tax would have been US\$3,595,086 (2014: US\$2,866,141) higher/ lower, arising mainly as a result of lower/ higher interest expense on floating rate loans and borrowings, higher/ lower interest income from floating rate deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

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

(c) Market risk - cont'd

Foreign currency risk

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

The company transacts mainly in United States dollar and Singapore dollar. The company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. Significant portion of the foreign exchange exposures are naturally hedged as both trade purchases and sales are denominated in the above currencies. This natural hedge reduces the financial impact of movements in the foreign exchange rates. Management believes that the foreign currency risk is manageable. The company uses derivative financial instruments to protect against the volatility associated with currency transactions in the ordinary course of business.

The company's exposures to foreign currency risk in equivalent US\$ are as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Singapore dollar		
<u>Financial assets and liabilities:</u>		
Trade and other receivables	678,261	458,869
Cash and bank balances	430,552	430,033
Borrowings	(1,319,499)	(50,872,302)
Trade and other payables	(94,165)	(276,632)
	<hr/>	<hr/>
Net foreign currency exposure	(304,851)	(50,260,032)
	<hr/>	<hr/>

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the company's profit before tax to a reasonable possible changes in the S\$ against the US\$ with other variables held constant.

	<u>2015</u> US\$	<u>2014</u> US\$
S\$/US\$		
- strengthen 5% (2014: 5%)	(15,243)	(2,513,002)
	<hr/>	<hr/>

Commodity price risk

Commodity price risk arose from the change in the commodity prices that may have an adverse effect on the company's result in the current reporting period and in future periods.

The company's major commodity is coal. This coal prices are subject to fluctuations attributable to market supply and demand conditions. The company manages such risk by monitoring the coal prices and through stringent purchase process of not acquiring commodity at price above the normal range based on historical information available and by not overstocking on any particular type of coal. The company use derivative financial instruments to mitigate this risk. The management believes that the coal price risk is manageable. No commodity price sensitivity analysis has been prepared as the impact would be immaterial to the company.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

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

(d) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

<u>2015</u>	<u>Level 1</u> US\$	<u>Level 2</u> US\$	<u>Level 3</u> US\$	<u>Total</u> US\$
Borrowings	60,710,927	-	-	60,710,927
Derivative financial instruments	<u>7,343,042</u>	<u>-</u>	<u>-</u>	<u>7,343,042</u>
<u>2014</u>	<u>Level 1</u> US\$	<u>Level 2</u> US\$	<u>Level 3</u> US\$	<u>Total</u> US\$
Borrowings	101,171,386	-	-	101,171,386
Derivative financial instruments	<u>2,597,462</u>	<u>-</u>	<u>-</u>	<u>2,597,462</u>

Determination of fair value

Forward currency contracts are valued using forward pricing with market observable inputs. The fair value of the resettable prepaid commodity price swap is calculated by reference to the pricing model defined in Resettable Pre-paid Swap agreement with the institutional counterparty with market observable inputs.

During the financial year ended 31 March 2015, there was no transfer between instruments in Level 1, Level 2 and Level 3, or vice versa.

5.3. Capital Management

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

5.3. Capital Management – cont'd

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as borrowings, derivative financial instruments plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the year.

	<u>2015</u> US\$	<u>2014</u> US\$
Trade and other payables	585,933,305	537,404,296
Borrowings	920,345,132	714,210,862
Derivative financial instruments	7,343,042	2,597,462
Less: Cash and bank balances	(129,364,148)	(101,014,651)
Net debt	1,384,257,331	1,153,197,969
Total equity	820,902,234	650,390,369
Total capital	2,205,159,565	1,803,588,338
Gearing ratio	63%	64%

The company is in compliance with all externally imposed capital requirements.

6. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

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

7. RELATED PARTY TRANSACTIONS

Many of the company's transactions and arrangements are between members of the ultimate holding company and the effects of these on the basis determined between the parties are reflected in these financial statements.

In addition to the information disclosed elsewhere in the financial statements, the following transactions and arrangements took place between the company and related parties took place at terms agreed between the parties during the financial year:

	<u>2015</u> US\$	<u>2014</u> US\$
Sales to:		
- ultimate holding company	1,137,526,835	917,554,506
- related companies	942,324,682	801,197,660
Purchases from		
- related companies	116,772,206	60,443,388

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. RELATED PARTY TRANSACTIONS – cont'd

	<u>2015</u> US\$	<u>2014</u> US\$
Ocean freight, despatch/ demurrage charges to		
- related companies	(113,246)	1,198,672
- subsidiaries	<u>137,175,115</u>	<u>143,011,451</u>
Interest income from		
- related companies	<u>-</u>	<u>2,719</u>
Professional fees to		
- related companies	361,913	-
- subsidiaries	<u>757,264</u>	<u>1,315,870</u>
Dividend income from joint venture	<u>-</u>	<u>4,450,000</u>
Salary reimbursement from subsidiary	<u>6,500</u>	<u>-</u>
Key management personnel compensation:		
- Short-term employee benefits	<u>1,851,793</u>	<u>1,604,720</u>

8. PROPERTY, PLANT AND EQUIPMENT

	<u>Computer & Office Equipment</u> US\$	<u>Furniture & Fittings</u> US\$	<u>Total</u> US\$
<u>Cost</u>			
At 1.4.2013	208,681	277,172	485,853
Additions	<u>45,064</u>	<u>1,455</u>	<u>46,519</u>
At 31.3.2014	253,745	278,627	532,372
Additions	<u>10,982</u>	<u>-</u>	<u>10,982</u>
At 31.3.2015	<u>264,727</u>	<u>278,627</u>	<u>543,354</u>
<u>Accumulated depreciation</u>			
At 1.4.2013	157,158	83,340	240,498
Charged for the year	<u>35,732</u>	<u>76,249</u>	<u>111,981</u>
At 31.3.2014	192,890	159,589	352,479
Charged for the year	<u>34,758</u>	<u>74,933</u>	<u>109,691</u>
At 31.3.2015	<u>227,648</u>	<u>234,522</u>	<u>462,170</u>
<u>Net carrying amount</u>			
At 31.3.2014	<u>60,855</u>	<u>119,038</u>	<u>179,893</u>
At 31.3.2015	<u>37,079</u>	<u>44,105</u>	<u>81,184</u>

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. PROPERTY, PLANT AND EQUIPMENT – cont'd

During the year, the company carried out a review of the recoverable amount of all property, plant and equipment. As a result, there were no allowances for impairment or revisions to the useful lives required for property, plant and equipment.

9. INVESTMENT PROPERTIES

	<u>Leasehold Properties</u> US\$
<u>Cost</u>	
At 31.3.2014 and 2015	<u>4,826,852</u>
<u>Accumulated depreciation</u>	
At 31.3.2013	383,802
Charged for the year	<u>80,608</u>
At 31.3.2014	464,410
Charged for the year	<u>80,608</u>
At 31.3.2015	<u>545,018</u>
<u>Net carrying amount</u>	
At 31.3.2014	<u>4,362,442</u>
At 31.3.2015	<u>4,281,834</u>

Details of investment properties are as follows:

	<u>2015</u>		<u>2014</u>
	<u>Cost</u> US\$	<u>Fair Value</u> US\$	<u>Cost</u> US\$
			<u>Fair Value</u> US\$
Leasehold property I situated at 10 Anson Road #34-16, International Plaza, Singapore 079903 (217 sq m)	<u>2,592,802</u>	<u>3,423,000</u>	<u>2,592,802</u> <u>4,070,000</u>
Leasehold property II situated at 10 Anson Road #34-15, International Plaza, Singapore 079903 (175 sq m)	<u>2,234,050</u>	<u>2,840,000</u>	<u>2,234,050</u> <u>3,356,000</u>

Investment properties were leased to third parties under operating lease during the financial year.

The rental income earned by the company from its investment properties under operating leases amounted to **US\$285,740** (2014: US\$287,208). Direct operating expenses arising on the investment properties in the year amounted to **US\$24,181** (2014: US\$6,850).

The fair value of the company's investment properties at the end of the reporting period have been determined on the basis of valuation carried out by the management based on the transacted prices near the end of the reporting period in the location and category of the properties being valued.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

9. INVESTMENT PROPERTIES – cont'd

During the year, the company carried out a review of the recoverable amount of investment properties. As a result, the previously recognised impairment loss has been written back. The amount written back was reduced by the amount that would have been recognised as depreciation had the writ-down not occurred.

10. INVESTMENT IN SUBSIDIARIES

	<u>2015</u> US\$	<u>2014</u> US\$
<u>Unquoted equity investments at cost</u>		
At beginning of financial year	42,472,783	42,472,783
Addition	1,253,203	-
	<u>43,725,986</u>	<u>42,472,783</u>

Details of the subsidiaries are as follows:

<u>Name of the subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Equity holding</u>	
			<u>2015</u> %	<u>2014</u> %
PT Adani Global	Export & import and mine supporting activity	Indonesia	95	95
PT Adani Global Coal Trading	Export & import and mine supporting activity	Indonesia	95	95
Adani Mining Pty Ltd	Export & import and mine supporting activity	Australia	90	100
Adani Minerals Pty Ltd	Export & import and mine supporting activity	Australia	100	100
Adani Shipping Pte Ltd	Chartering and owning of ships, barges and boats	Singapore	100	100

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, which 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 subsidiaries. The review revealed no impairment in value required. The recoverable amount of the relevant investment in each subsidiary has been determined on the basis of its net assets value at the end of the reporting period as in the opinion of the management of the company, the net assets values of these subsidiaries reasonably approximate the fair values less costs to sell.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

11. INTEREST IN JOINT VENTURE

	<u>2015</u> US\$	<u>2014</u> US\$
Unquoted equity investments at cost	<u>3,800,000</u>	<u>3,800,000</u>

The company has 50% interest in the jointly controlled entity, Adani Wilmar Pte Ltd. The joint venture is incorporated in Singapore and the principal activities of the joint venture are to carry on business of trading in various types of pulses, grains and other agricultural commodities.

As stated in Note 10 to the financial statements the ultimate holding company prepares the consolidated financial statements. Such financial statements are available for public use. Accordingly, the proportionate consolidation or the equity accounting has not been adopted for the interest in joint venture in the company's financial statements.

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

12. INVENTORIES

	<u>2015</u> US\$	<u>2014</u> US\$
Goods in transit	<u>39,607,943</u>	<u>7,366,240</u>

13. TRADE AND OTHER RECEIVABLES

	<u>2015</u> US\$	<u>2014</u> US\$
Trade receivables:		
- ultimate holding company (Note 6)	508,570,320	401,812,545
- related companies (Note 7)	424,344,630	337,909,212
- third parties	532,075,471	361,967,072
	<u>1,464,990,421</u>	<u>1,101,688,829</u>
Less: allowance for doubtful debts	<u>(123,425)</u>	<u>(186,024)</u>
	<u>1,464,866,996</u>	<u>1,101,502,805</u>
Advances to:		
- related companies (Note 7)	23,182,082	5,922,079
- third parties	19,788,198	51,915,676
Commodity receivables	-	983,400
GST receivables	583,362	455,229
Loan to employees	120,906	227,610
Interest receivables	4,429,814	4,131,022
Margin money for commodity	1,229,000	-
Other receivables – related companies (Note 7)	517,990	-
Loan to:		
- subsidiaries (Note 10)	382,617,438	324,581,983
- related companies (Note 6)	-	8,158,285
- third parties	<u>223,010,647</u>	<u>253,562,403</u>
	<u>2,120,346,433</u>	<u>1,751,440,492</u>

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

13. TRADE AND OTHER RECEIVABLES – cont'd

Trade receivables are non-interest bearing except related companies and the credit periods are within 30 to 360 days' (2014: 30 to 360 days') terms. They are recognised at their original invoice amounts, which represent their fair values on initial recognition. The company does not hold any collateral over these balances as these receivables are mainly arising by customers that have a good record with the company. Based on the historical default rates the company believes that no further provision is required in excess of the allowances for the doubtful debts.

Included in trade receivables, a sum of US\$524,948,256 (2014:US\$377,724,899), which were discounted to banks, had not matured and bears interest rate ranging from 1.30% to 3.37% above the prime plus rate of bank's cost of funds. Interest for the period between the date of bills discounting of the receivables and the agreed date of payment is recorded on an accrual basis.

The company has concentration of trade receivables (credit risk) with two counter parties amounting to approximately US\$750,709,890 (2014: US\$651,336,020) which represent 51% (2014:59%) of trade receivables.

Advances to suppliers represent the amount of money advanced by the company to the suppliers as advance payment for consignment from the suppliers to re-sell such products to the customers.

In determining the recoverability of other receivables, the company considers any change in the credit quality of the other receivable from the date credit was initially granted up to the reporting date. The other receivables are unsecured, interest-free and repayable on demand.

Management has assessed the credit worthiness of the other debtors including ultimate holding company, subsidiary and related companies considers that no allowance for impairment of other receivables is necessary as there were no recent history of default in respect of these debtors.

Loan to subsidiaries and related parties are unsecured, interest-free except a loan to an Australian subsidiary and all are repayable on demand.

Loan to third parties are interest bearing at LIBOR plus margin and approximate to their fair values.

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

	<u>2015</u> US\$	<u>2014</u> US\$
Not past due and not impaired	1,378,880,210	1,015,453,589
Past due but not impaired	<u>85,986,786</u>	<u>86,049,216</u>
	<u>1,464,866,996</u>	<u>1,101,502,805</u>

Ageing of trade receivables that are past due but not impaired.

	<u>2015</u> US\$	<u>2014</u> US\$
Lesser than 30 days	70,689,348	29,865,376
31 to 60 days	1,244,259	22,769,303
61 to 90 days	2,284,064	12,822,336
More than 91 days	<u>11,769,115</u>	<u>20,592,201</u>
	<u>85,986,786</u>	<u>86,049,216</u>

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

13. TRADE AND OTHER RECEIVABLES – cont'd

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to trade receivables that are in significant financial difficulties and have defaulted on payments.

The company's trade receivables that are impaired at the end of the reporting period and the movements of the allowance accounts used to record the impairment are as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
At beginning of the year	186,024	186,024
Written off during the year	<u>(62,599)</u>	<u>-</u>
At end of the year	<u>123,425</u>	<u>186,024</u>

The carrying amounts of trade and other receivables which approximate their fair values are denominated in following currencies:

	<u>2015</u> US\$	<u>2014</u> US\$
Singapore dollar	737,930	458,869
United States dollar	<u>2,119,608,503</u>	<u>1,750,981,623</u>
	<u>2,120,346,433</u>	<u>1,751,440,492</u>

14. OTHER CURRENT ASSETS

	<u>2015</u> US\$	<u>2014</u> US\$
Deposits	236,483	271,958
Prepayments	<u>3,490,921</u>	<u>4,894,530</u>
	<u>3,727,404</u>	<u>5,166,488</u>

The company's management considers that no allowances for impairment of other current assets are necessary as there was no recent history of default in respect of these assets.

The carrying amounts of other current assets approximate their fair values.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

15. CASH AND CASH EQUIVALENTS

	<u>2015</u> US\$	<u>2014</u> US\$
Bank balances	36,881,364	26,668,226
Fixed deposits	<u>92,482,784</u>	<u>74,346,425</u>
	129,364,148	101,014,651
Less:		
Restricted deposits	<u>(92,482,784)</u>	<u>(73,080,646)</u>
Cash and cash equivalents as per the statement of cash flows	<u>36,881,364</u>	<u>27,934,005</u>

Cash and cash equivalents comprise cash in hand and cash at banks held by the company and short-term bank deposits with an original maturity of three months or less. Cash and cash equivalents carried in the statement of financial position are classified and accounted for as loans and receivables under FRS 39.

Fixed deposits are made for varying periods between 30 days to 365 days (2014: 180 days to 365 days) depending upon the immediate cash requirements of the company. The fixed deposits bear average effective interest rate of 0.20%-1.38% (2014: 0.10%-3.00%) per annum.

Fixed deposits include margin money deposits held with the banks to operate letters of credit with the banks. As this amount is not available for use by the company other than its intended purposes, it has been excluded from the cash and cash equivalents for the purpose of the statement of cash flows

The carrying amounts of cash and bank balances, which approximate their fair values, are denominated in the following currencies:

	<u>2015</u> US\$	<u>2014</u> US\$
Singapore dollar	430,552	430,033
United States dollar	<u>128,933,596</u>	<u>100,584,618</u>
	<u>129,364,148</u>	<u>101,014,651</u>

16. SHARE CAPITAL

	<u>2015</u> Number of ordinary shares	<u>2014</u> Number of ordinary shares	<u>2015</u> US\$	<u>2014</u> US\$
<u>Issued and paid up</u>				
Ordinary shares	<u>43,117,530</u>	<u>43,117,530</u>	<u>27,600,000</u>	<u>27,600,000</u>

The ordinary shares which have no par value carry a right to dividend as and when declared by the company.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

17. BORROWINGS

	<u>2015</u> US\$	<u>2014</u> US\$
Bank loans	132,152,832	222,626,856
Working capital loans	788,192,300	491,584,006
	<u>920,345,132</u>	<u>714,210,862</u>

The borrowings are repayable as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Non-current liabilities		
Bank loans	41,778,342	132,225,631
Current liabilities		
Bank loans	90,374,490	90,401,225
Working capital loans		
- trust receipts, freight and invoice financing	208,244,044	11,880,327
- trade bills discounting	524,948,256	377,724,899
- credit facilities	55,000,000	101,978,780
	<u>878,566,790</u>	<u>581,985,231</u>
	<u>920,345,132</u>	<u>714,210,862</u>

Bank loans

At the end of the reporting period the company has following bank loans:-

Two term loans amounting to S\$2.7 million and S\$2.4 million were obtained from Standard Chartered Bank (SCB), Singapore on 3 June 2008. Repayment commenced on 15 August 2008 and will continue until 15 August 2018. The loans carry an average effective interest rate of 2.88% (2014: 2.39%). The term loans are secured by exclusive charge on the company's investment properties (Note 9).

On 12 August 2011, the company raised a long-term loan of US\$250 million from ICICI Bank, Singapore. Repayment of the loan has been commenced on 12 September 2011 and will continue until 12 August 2016. This loan carries an average interest rate of 4.03% (3 months LIBOR plus margin of 3.80%) per annum (2014: 4.18%).

The company entered into a facility arrangement called Resettable Pre-paid Swap with SCB on 30 June 2011 reference to API#4 coal price. The cap price of API#4 coal is set at US\$80/MT. During the term of the swap, if the reference swap price is below US\$80/MT, SCB pre-pays to the company a US\$ amount equal to notional quantity per calculation period at hedging swap price on the relevant prepaid amount settlement date and the company repays a US\$ amount equal to notional quantity per calculation period at floating price plus commodity linked liquidity charge. If the reference swap price is greater than or equal to US\$80/MT, SCB pre-pays to the company a US\$ amount equal to notional quantity per calculation period at cap price on the relevant prepaid amount settlement date and the company repays a US\$ amount equal to notional quantity per calculation period at cap price plus commodity linked liquidity charge.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUE

17. BORROWINGS – cont'd

The calculation periods are reset semi-annually, starting from 1 July 2011 to 30 June 2016. The swap covers a notional volume of 13.75 million MT. The reference swap prices at the calculation periods during the current financial year and at the end of the reporting period are greater than US\$80/MT.

At the end of the reporting period, the prepayment from SCB amounting to US\$60 Million (2014: US\$100 Million) has been recognised as borrowing by the company. US\$40 million which will due within twelve months from the reporting date is classified as a current liability and the remaining balance of US\$20 million being classified as non-current liability on the statement of financial position.

Working capital loans

Trust receipts, freight financing, invoice financing

The average effective interest rate of the trust receipts is 1.5% to 3.25% (2014: 1.5% to 3.46%) with a maturity up to 150 days. Freight financing and invoice financing bear interest rate of 2% to 3% approximately.

Trust receipts were secured by charges on fixed deposits, goods and trade receivables.

Trade bills discounting

Trade bills discounting with recourse bear interest as stated in Note 13 to the financial statements and have a maturity up to 180 days (2014: up to 180 days) from the date of discounting.

Credit facilities

The company was granted a credit facility from ICICI Bank, Dubai branch for an amount of US\$55 million which is secured by a deed of debenture.

The working capital loan from ICICI Bank, Singapore is secured by first exclusive charge over the shipment financed by the bank and the receivables thereof for the underlying shipment and charge over the collection account held with the bank.

The fair values of the borrowings are not significantly different from their carrying amounts based on discounting expected future cash flows at market lending rates of an equivalent instrument at the end of the reporting period.

The carrying amounts of borrowings are denominated in the following currencies:

	<u>2015</u> US\$	<u>2014</u> US\$
Singapore dollar	1,319,499	50,872,302
United States dollar	919,025,633	663,338,560
	<u>920,345,132</u>	<u>714,210,862</u>

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

18. TRADE AND OTHER PAYABLES

	<u>2015</u> US\$	<u>2014</u> US\$
Trade payables:		
- third parties	457,387,577	395,339,508
- subsidiary	9,292,090	9,875,123
- related companies	3,510,840	70,780
	<u>470,190,507</u>	<u>405,285,411</u>
Advances from		
- customers	78,104,806	1,518,182
- related companies	-	119,121,100
Deposit received	43,893	47,856
Accrued expenses	18,653,565	172,757
Other payables		
- third parties	7,795,198	3,940,490
- related companies	3,871	-
- subsidiary	6,972,704	4,138,383
Interest payables	2,942,804	2,398,117
Loan from related companies	-	782,000
Commodity payables	1,225,957	-
	<u>585,933,305</u>	<u>537,404,296</u>

Trade payables are non-interest bearing and are normally settled on 30 to 60 days (2014: 30 to 60 days) and import bills acceptance up to 180 days. Trade payables are principally comprise amounts outstanding for trade purchases.

Other payables to subsidiary and Loan from related companies are unsecured, interest-free and repayable on demand.

Advances from customers refer to advance money placed by the customers in connection with future sale of goods.

The carrying amount of trade and other payables, which approximate their fair value, are denominated in the following currencies:

	<u>2015</u> US\$	<u>2014</u> US\$
United States dollar	585,839,140	537,127,664
Singapore dollar	94,165	276,632
	<u>585,933,305</u>	<u>537,404,296</u>

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

19. DERIVATIVE FINANCIAL INSTRUMENTS

<u>2015</u>	<u>Contractual Notional value US\$</u>	<u>Assets/(Liabilities) US\$</u>
Commodity swaps		
Purchases	63,783,650	(11,374,675)
Sales	35,294,725	4,276,650
Currency Derivatives		
Purchases	24,686,568	(256,720)
Sales	1,462,821	11,703
Net position		<u>(7,343,042)</u>
 <u>2014</u>	 <u>Contractual Notional value US\$</u>	 <u>Assets/(Liabilities) US\$</u>
Commodity swaps		
Purchases	71,429,750	(2,507,160)
Currency Derivatives		
INR-USD	4,040,865	(90,302)
Net position		<u>(2,597,462)</u>

20. REVENUE

Revenue represents invoiced value of goods sold and delivered excluding goods and service tax, net returns, trade discounts and allowances.

21. OTHER INCOME

	<u>2015 US\$</u>	<u>2014 US\$</u>
Operating income:		
- interest income from financial institutions	776,041	917,866
- interest income from third parties	16,149,682	18,322,597
	<u>16,925,723</u>	<u>19,240,463</u>
Non-operating income:		
- interest income from subsidiary	-	2,719
- rental income from investment property	285,740	287,208
- dividend income	-	4,450,000
- PIC bonus	-	11,838
- sundry balances written back	803,627	-
- wage credit scheme	491	-
- other miscellaneous income	1,709	-
	<u>1,091,567</u>	<u>4,751,765</u>
	<u>18,017,290</u>	<u>23,992,228</u>

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

22. FINANCE COSTS

	<u>2015</u> US\$	<u>2014</u> US\$
Interest on loans	10,444,557	14,268,524
Interest on bill discounting and trust receipt	13,364,783	10,505,414
Bank charges and commission	2,813,144	2,511,602
L/C charges	2,535,678	1,750,914
Finance charges	3,196,347	932,746
	<u>32,354,509</u>	<u>29,969,200</u>

23. INCOME TAX

	<u>2015</u> US\$	<u>2014</u> US\$
Current tax:		
Provision for current year	10,000,000	11,200,000
Under provision of income tax in prior year	168,485	-
	<u>10,168,485</u>	<u>11,200,000</u>

Reconciliation between income tax expenses and accounting profit

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% and concessionary rate of 5% (2014: 17% and 5%) to profit before income tax as a result of the following differences:

	<u>2015</u> US\$	<u>2014</u> US\$
Profit before income tax	180,680,350	196,297,684
Income tax expense calculated at 17%	30,715,659	33,370,606
Tax effects of:		
- GTP tax concessions	(20,855,179)	(21,548,700)
- non-deductible/ (non-taxable) items	158,443	(601,345)
- partial tax exemptions	(18,923)	(20,561)
	<u>10,000,000</u>	<u>11,200,000</u>
Under provision of income tax in prior year	168,485	-
	<u>10,168,485</u>	<u>11,200,000</u>

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

23. INCOME TAX – cont'd

On 1 April 2009, the company qualified under the Global Trading Program for a 5% concessionary rate of tax on income approved under the Global Trading Program Scheme. The concessionary rate of income tax by virtue of Section 43 P of the Singapore Income Tax Act (Cap.134) is available for a period of 5 years with effect from 1 April 2009, with a possible extension for further periods.

The non-qualifying income under GTP is taxed under the standard Singapore Income Tax rate of 17% (2014:17%).

Movement in income tax payables

	<u>2015</u> US\$	<u>2014</u> US\$
Balance at beginning of year	11,200,000	8,939,039
Income tax paid	(10,957,266)	(8,939,039)
Income tax expenses	<u>10,168,485</u>	<u>11,200,000</u>
Balance at end of year	<u>10,411,219</u>	<u>11,200,000</u>

24. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	<u>2015</u> US\$	<u>2014</u> US\$
Employee benefit expenses (including director's emoluments)	5,666,643	5,597,463
Cost of defined contribution plans included in employee benefits	<u>90,302</u>	<u>78,369</u>

25. COMMITMENTS

	<u>2015</u> US\$	<u>2014</u> US\$
Performance guarantee	93,635,798	97,348,514
Letters of credit	<u>147,329,062</u>	<u>101,265,304</u>
	<u>240,964,860</u>	<u>198,613,818</u>

- (a) The company has given a guarantee to its subsidiary, PT Adani Global, Indonesia for a medium term loan from PNC Bank, National Association ("PNC Bank") for total sanction amount of US\$8.067 million for financing of the purchase of one Joy Mining Continuous Miner with related equipment. At end of the reporting period the subsidiary has an outstanding liability of US\$1.705 million with the above financial institution. No recognition for the fair value of the financial guarantee is made in the financial statements, as the company considers that is more likely that no amount will be payable under the arrangement.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

26. OPERATING LEASE COMMITMENTS

The company as lessor

	<u>2015</u> US\$	<u>2014</u> US\$
Minimum lease payments under operating lease recognised as an income in the year	<u>285,740</u>	<u>287,208</u>

As at the end of the reporting period, future minimum lease receivable under non-cancellable operating leases is as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Within one year	305,319	190,502
In the second to fifth years inclusive	<u>202,317</u>	<u>-</u>
	<u>507,636</u>	<u>190,502</u>

The company rents out its investment property to a non-related party under operating lease.

The company as lessee

	<u>2015</u> US\$	<u>2014</u> US\$
Minimum lease payments under operating lease recognised as an expense in the year	<u>442,699</u>	<u>478,555</u>

As at the end of the reporting period, the commitments in respect of operating lease were as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Within one year	154,466	442,800
In the second to fifth years inclusive	<u>-</u>	<u>162,685</u>
	<u>154,466</u>	<u>605,485</u>

The company has operating lease agreement for staff accommodation. Lease terms do not contain restrictions on the company's activities concerning dividends, additional debts or further leasing.

ADANI GLOBAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

27. COMPARATIVE FIGURES

Comparative financial statements have been reclassified due to conform with current year presentation. The reclassifications have no impact on the statement of financial position of the beginning of the earliest comparative period. Accordingly, the company did not present the restated earliest comparative figures. Following are the reclassified financial statements for the year 2014.

Statement of comprehensive income for the year ended 31 March 2014 (Reclassified)

	<u>Before Reclassification</u>	<u>Reclassification Adjustment</u>	<u>After Reclassification</u>
Sales	2,901,795,724	(15,639,527)	2,886,156,197
Marketing and distribution expenses	(20,884,198)	15,639,527	5,244,671

Statement of cash flow for the year ended 31 March 2014 (Reclassified)

	<u>Before Reclassification</u>	<u>Reclassification Adjustment</u>	<u>After Reclassification</u>
Net cash generated from operating activities	200,083,502	74,656,848	274,740,350
Net cash from investing activities	1,149,831	2,713,198	3,863,029
Net cash used in financing activities	(189,683,242)	(77,370,046)	(267,053,288)

28. 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.