

# **ADANI GLOBAL PTE. LTD.**

(Registration number: 200003047N)

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

# **ADANI GLOBAL PTE. LTD.**

## **DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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# ADANI GLOBAL PTE. LTD.

## DIRECTORS' STATEMENT

The directors are pleased to present their statements to the member together with the audited financial statements of **ADANI GLOBAL PTE. LTD.** (the "company") for the financial year ended 31 March 2019.

### 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

### 2. DIRECTORS

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

Anand Sanjay	(Appointed on 7 June 2018)
Janakaraj Jeyakumar	(Appointed on 9 May 2018)
Kukean Deepak Vaman	(Appointed on 2 November 2018)
Nerurkar Hemant Madhusudan	(Appointed on 1 April 2019)

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

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

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

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

## ADANI GLOBAL PTE. LTD.

### DIRECTORS' STATEMENT – cont'd

5. **SHARE OPTIONS**

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

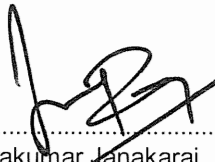
There were no shares issued during the financial year by virtue of the exercise of an option to take up unissued shares of the company.

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

6. **INDEPENDENT AUDITOR**

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

On behalf of the Board

  
.....  
Jeyakumar Janakaraj  
Director  
.....  
Kukean Deepak Vaman  
Director

Date: 27 May 2019

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

*Opinion*

We have audited the financial statements of **ADANI GLOBAL PTE. LTD.** (the "company"), which comprise the statement of financial position as at 31 March 2019, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ADANI GLOBAL PTE LTD – cont'd**

### *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Legal and Regulatory Requirement**

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

*Prudential PAC*

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

Date: 27 May 2019



# ADANI GLOBAL PTE. LTD.

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	<u>Note</u>	<u>2019</u> US\$	<u>2018</u> US\$
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	(8)	8,264,992	6,435,250
Investment properties	(9)	1,830,233	4,040,009
Investment in subsidiaries	(10)	39,900,981	48,900,204
Interest in joint venture	(11)	3,804,900	3,801,020
Total non-current assets		<u>53,801,106</u>	<u>63,176,483</u>
<b>Current assets:</b>			
Derivative financial instruments	(19)	1,253,851	-
Trade and other receivables	(12)	2,485,421,732	2,319,645,119
Other current assets	(13)	9,807,334	6,628,139
Cash and cash equivalents	(14)	111,217,568	132,075,261
Total current assets		<u>2,607,700,485</u>	<u>2,458,348,519</u>
<b>Total assets</b>		<u><u>2,661,501,591</u></u>	<u><u>2,521,525,002</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Share capital	(15)	27,600,000	27,600,000
Merger reserve	(16)	18,881,167	18,881,167
Retained earnings		<u>1,060,858,672</u>	<u>1,035,805,348</u>
Total equity		<u>1,107,339,839</u>	<u>1,082,286,515</u>
<b>Non-current liabilities:</b>			
Borrowings	(17)	<u>98,325,095</u>	<u>9,167,434</u>
Total non-current liabilities		<u>98,325,095</u>	<u>9,167,434</u>
<b>Current liabilities:</b>			
Borrowings	(17)	656,026,614	822,068,560
Trade and other payables	(18)	794,280,954	601,181,493
Derivative financial instruments	(19)	-	988,000
Income tax payables	(23)	5,529,089	5,833,000
Total current liabilities		<u>1,455,836,657</u>	<u>1,430,071,053</u>
Total liabilities		<u>1,554,161,752</u>	<u>1,439,238,487</u>
<b>Total equity and liabilities</b>		<u><u>2,661,501,591</u></u>	<u><u>2,521,525,002</u></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 2019

	<u>Note</u>	<u>2019</u> US\$	<u>2018</u> US\$
<b>Revenue</b>	(20)	3,305,099,327	3,702,960,282
<b>Cost of goods sold</b>		<u>(3,165,617,205)</u>	<u>(3,570,206,055)</u>
<b>Gross profit</b>		139,482,122	132,754,227
Other income	(21)	24,183,289	15,449,724
Marketing and distribution expenses		(4,542,951)	(1,561,268)
Administrative expenses		(12,254,992)	(13,687,712)
Finance costs	(22)	(53,002,834)	(48,726,968)
Other expenses		(10,404,822)	(2,189,031)
Impairment of financial assets		<u>(52,827,060)</u>	<u>-</u>
<b>Profit before income tax</b>		30,632,752	82,038,972
Income tax expense	(23)	<u>(5,579,428)</u>	<u>(6,331,502)</u>
<b>Profit for the year</b>	(24)	25,053,324	75,707,470
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>25,053,324</u>	<u>75,707,470</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 2019

	<u>Share Capital</u> US\$	<u>Merger Reserve</u> US\$	<u>Retained Earnings</u> US\$	<u>Total</u> US\$
Balance as at 1 April 2017	27,600,000	18,881,167	960,097,878	1,006,579,045
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>75,707,470</u>	<u>75,707,470</u>
Balance as at 31 March 2018	27,600,000	18,881,167	1,035,805,348	1,082,286,515
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>25,053,324</u>	<u>25,053,324</u>
Balance as at 31 March 2019	<u>27,600,000</u>	<u>18,881,167</u>	<u>1,060,858,672</u>	<u>1,107,339,839</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 2019

	<u>2019</u> US\$	<u>2018</u> US\$
<b>Cash flow from operating activities:</b>		
Profit before income tax	30,632,752	82,038,972
Adjustments for:		
Depreciation of plant and equipment	564,368	575,392
Depreciation of investment properties	77,008	80,608
Foreign currency exchange difference	(22,990)	18,463
Impairment loss on financial assets	52,827,060	-
Impairment on investment in subsidiaries	9,000,000	-
Interest expense	53,002,834	48,726,968
Interest income	(12,439,841)	(15,289,878)
Operating profit before working capital changes	133,641,191	116,150,525
Trade and other receivables	(85,873,221)	(154,299,861)
Other current assets	(3,179,195)	(2,466,517)
Derivative financial instruments	(2,241,851)	931,750
Trade and other payables	195,226,699	(108,207,764)
Cash generated from/ (used in) operations	237,573,623	(147,891,867)
Income tax paid	(5,883,339)	(6,397,207)
<b>Net cash generated from/ (used in) operating activities</b>	<b>231,690,284</b>	<b>(154,289,074)</b>
<b>Investing activities:</b>		
Interest received	12,668,389	14,665,909
Acquisition of joint ventures	(5,880)	-
Acquisition of subsidiaries	(777)	(3,586)
Acquisition of plant and equipment	(261,342)	(10,453)
(Increase)/ decrease in net amount due from related parties	(132,959,000)	5,141,111
Fixed deposit	2,668,396	6,153,693
Proceeds from disposal of joint venture	2,000	-
<b>Net cash (used in)/ generated from investing activities</b>	<b>(117,888,214)</b>	<b>25,946,674</b>
<b>Financing activities:</b>		
Interest paid	(55,130,072)	(44,556,802)
Repayment of borrowings (Note 28)	(76,863,032)	(58,611,312)
Proceeds from borrowings (Note 28)	1,737	253,695,449
<b>Net cash (used in)/ generated from financing activities</b>	<b>(131,991,367)</b>	<b>150,527,335</b>
Net (decrease)/ increased in cash and cash equivalents	(18,189,297)	22,184,935
Cash and cash equivalents at beginning of year	27,712,224	5,527,289
<b>Cash and cash equivalents at end of year</b> (Note 14)	<b>9,522,927</b>	<b>27,712,224</b>

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 2019

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 of wholesale trade of a variety of commodities and ship bunkering & trading and distribution of marine fuel oil.

The financial statements of the company for the year ended 31 March 2019 were authorised for issue by the Board of Directors on 27 May 2019.

#### 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

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

In the current financial year, the company has adopted all the new and revised FRSs and INT FRSs issued by the ASC that are relevant to its operations and effective for annual periods beginning on or after 1 April 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements except for the standards described below:

##### (i) FRS 109 Financial instruments

This standard replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting.

The company applied FRS 109 retrospectively, with an initial application date of 1 April 2018. The company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosure relating to items within the scope of FRS 39.

The accounting policies for financial instruments under FRS 109 are disclosed in Note 3.

##### *Classification and measurement*

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVTPL), amortised cost or fair value through other comprehensive income (FVTOCI). The classification is based on two criteria: the company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. The assessment of the company's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the company. The following are the changes in the classification and measurement of the company's financial assets:

- Trade and other receivables and cash and cash equivalents previously classified as loans and receivables on the statement of financial position as at 31 March 2018 were classified and measured as financial assets at amortised cost beginning 1 April 2018.

##### *Classification and measurement*

The company has not designated any financial liabilities at FVTPL. There are no changes in classification and measurement for the company's financial liabilities.

##### *Impairment*

The adoption of FRS 109 has fundamentally changed the company's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 required the company to recognise an allowance for ECLs for debt instruments not held at FVTPL.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.2 Changes in Accounting Policies

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

##### (ii) FRS 115 Revenue from contracts with Customers

This standard supersedes FRS 11 Construction Contracts, FRS 18 Revenue and related interpretation and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five steps model to account for revenue arising from contracts with customers and required that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 required entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standards also specific the accounting for the incremental costs of obtaining a contract and the costs directly relating to fulfilling a contract. In addition, the standard requires extensive disclosure.

The company adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The company elected to apply the standard to all contracts as at 1 April 2018.

The accounting for revenue under FRS 115 did not have a significant impact to the company. The accounting policies for revenue recognition under FRS 115 are disclosed in Note 2.10.

##### (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>Reference</u>	<u>Description</u>	<u>Effective of annual period beginning on or after</u>
FRS 19	Employee Benefits - Plan Amendments, Curtailment or Settlement (Amendments)	1 January 2019
FRS 116	Leases	1 January 2019
INT FRS 123	Uncertainty over Income Tax Treatment	1 January 2019
FRS 103	Amendments to FRS 103: Definition of a Business	1 January 2020
FRS 1 & FRS 8	Amendments to FRS 1 and FRS 8: Definition of Material	1 January 2020

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

##### i) FRS 19: Employee Benefits – Plan Amendments, Curtailment or Settlement (Amendments)

The amendments require entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement, which occurs during the reporting period. The amendments also clarify how the requirements for accounting for a plan amendment, curtailment or settlement affect the asset ceiling requirements.

## 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

##### (b) FRSs and INT FRSs issued not yet effective – cont'd

###### i) FRS 19: Employee Benefits – Plan Amendments, Curtailment or Settlement (Amendments) – cont'd

The amendments should be applied prospectively to plan amendments, curtailments or settlements that occur on or after 1 January 2019, with earlier application permitted. These amendments will not have a significant impact on the group's and the company's financial statements.

###### ii) FRS 116: Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17 Leases, INT FRS 104 determining whether an arrangement contains a Lease, INT FRS 15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

As FRS 109, FRS 115 and FRS 116, when effective, will change the existing accounting standards and guidance applied by the company in accounting for revenue, financial instruments and leases, these standards are expected to be relevant to the company. The company is presently assessing the potential impact of adopting these new standards and interpretations on its financial statements and does not plan to adopt these standards early.

###### iii) INT FRS 123: Uncertainty over Income Tax Treatments

The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is possible that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

\* if probable, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

\* if not probable, the entity should reflect the effect of uncertainty in determining its accounting tax position.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.3. Functional and Foreign Currency

###### (a) Functional and presentation currency

The financial statements of the company are measured and presented in the currency of the primary economic environment in which the entity operates (its "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 any 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
Barges	21-23 years
Leasehold property	60 years

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



## 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

###### (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, if any.

###### (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.

###### (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.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.5. Investment Property – cont'd

###### (f) Transfers

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.

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

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

The company is exempted from the requirement to prepare consolidated financial statements as the company itself is the wholly owned subsidiary of another entity and the ultimate holding company, Adani Enterprises Limited 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, Adani Enterprises Limited produces consolidated financial statements which are available for public use.

##### 2.8. Cash and cash equivalents

Cash and cash equivalents comprise short term bank deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value. These are classified and accounted as measured at amortised cost under FRS 109. The accounting policy for this category of financial assets is stated in Note 3.

##### 2.9. 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

##### 2.9. 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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

##### 2.10. Revenue Recognition

*Accounting policy applicable after 1 April 2018, under FRS 115*

Revenue from sale of goods and services in the ordinary course of business is recognised when the company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the completion reflecting the progress towards complete satisfaction of that PO.

*Accounting policy applicable before 1 April 2018, under FRS 18*

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:

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.10. Revenue Recognition – cont'd

*Accounting policy applicable before 1 April 2018, under FRS 18*

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.

##### 2.11. Other Income

###### (a) 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.

###### (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.

##### 2.12. 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 leave entitlement

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

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.13. 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.

##### 2.14. Operating Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

###### (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.

###### (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.

##### 2.15. 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.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.15. Income Taxes – cont'd

###### (b) Deferred tax – cont'd

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.

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) Goods 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.

##### 2.16. Related Parties

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

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

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

###### (b) An entity is related to a company if any of the following applies:

- (i) the entity and the company are members of the same group i.e. each parent, subsidiary and fellow subsidiary is related to the others;
- (ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.16. Related Parties – cont'd

(b) An entity is related to a company if any of the following applies: - cont'd

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); or
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.
- (viii) the entity, or any member of the company of which it is a part, provides key management personnel services to the company or to the parent of the company.

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

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

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

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

##### 2.17. 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.

##### 2.18. 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.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.18. Contingent Liabilities and Contingent Assets

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

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

##### 2.19. 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 to the financial statements when material.

#### 3. FINANCIAL INSTRUMENTS

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

##### 3.1. Financial Assets

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

##### a) Classification and subsequent measurement

***The accounting for financial assets from 1 April 2018 under FRS 109 is as follow:***

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.



## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

###### a) Classification and subsequent measurement – cont'd

***The accounting for financial assets from 1 April 2018 under FRS 109 is as follow:***

###### *Subsequent measurement*

Financial assets at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

As at the reporting date, the company's debt instruments at amortised cost consist of trade and other receivables and cash and cash equivalents.

***The accounting for financial assets before 1 April 2018 under FRS 39 are as follow:***

###### 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 and cash and cash equivalents 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.

For loans that are with recourse to the lender, the proceeds from the bills discounting of the company's trade receivables has been accounted for as collateralised borrowing.

###### ii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank 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.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

###### b) Impairment of financial assets

***The accounting for financial assets from 1 April 2018 under FRS 109 is as follow:***

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

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

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

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month expected credit loss is the expected credit loss that result from default events that are possible within 12 months after the reporting date.

###### Measurement and recognition of expected credit losses

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows for the company in accordance with the contract and all the cash flows that the company expects to receive, discount at the original effective interest rate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

###### b) Impairment of financial assets – cont'd

***The accounting for financial assets before 1 April 2018 under FRS 39 are as follow:***

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.

##### 3.2. 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.

###### (b) Financial liabilities

Financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provision for the financial instrument. The measurement of financial liabilities depends on their classification as either financial liabilities "at fair value through profit or loss" or "other financial liabilities at amortised costs".

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.2. Equity Instrument and Financial Liabilities – cont'd

##### (b) Financial liabilities – cont'd

##### (i) Financial liabilities at amortised cost

Financial liabilities are initially recognised at value plus directly attributable costs and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Financial liabilities at amortised cost are classified within “trade and other payables” and “borrowing” and “trust receipts” on the statement of financial position.

##### Trade and other payables

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

##### Term loan and short-term borrowings from financial institutions

Term loan and short-term borrowings from financial institutions are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the term loan, trust receipts and bills payable using the effective interest method.

Term loans, which are due to be settled within twelve months after the end of the reporting period, are included in current liability in the statement of financial position. Other term loans due to be settled more than twelve months after the end of the reporting period are in non-current portion of term loan in the statement of financial position.

##### (ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit and loss account.

##### (c) Derecognition of financial liabilities

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

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.3. Derivative Financial Instruments

Derivative financial instruments including commodity swap contracts, foreign exchange forward contracts and resetable 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 quoted market price at the commodity exchanges at the end of the reporting period.

The fair value of the derivative held for trading is presented as a current asset or liability in the statement of financial position.

#### 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 income tax payables are disclosed in Note 23 to the financial statements.

###### (b) Determination of functional currency

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

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES – cont'd

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

###### (c) Revenue – gross presentation

For sale of goods, the company assesses its sales arrangements to determine if it acts as a principal or an agent. In determining whether the company acts as a principal, the company considers factors such as if the company has primary responsibility for providing the goods or services to the customer, bears inventory risks before or after the customer order during shipping or on return, has latitude in establishing prices either directly or indirectly, and bears the customer's credit risks for the amount receivable from the customers.

The company has determined, based on an evaluation of the terms and conditions of the sales arrangements, that the company acts as a principal and so accounts the revenue as gross presentation in the statement of comprehensive income. The company's revenue from sale of goods is disclosed in Note 20 to the financial statements.

##### 4.2 Key Sources of Estimation Uncertainties

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

###### (a) Impairment of 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 are disclosed in Note 8 and Note 9 to the financial statements.

###### (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.

## 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

##### (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 are disclosed in Note 10 to the financial statements.

##### (d) Calculation of loss allowance

When measuring ECL, the company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of difference economic drivers and how these drivers will affect each other.

Loss given defaults is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

##### (e) Impairment of debt instruments

##### (i) Trade receivables

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The information about the ECLs on the company's trade receivables is disclosed in Note 12.

##### (ii) Receivables from subsidiaries and related companies and loan to third parties

The impairment provisions for these financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of reporting period. The information about the ECLs on the company's other receivables is disclosed in Note 5.2 (a).

The carrying amount of the company's trade and other receivables as at the reporting date is disclosed in Note 12 to the financial statements.

##### (f) Provisions

Provisions are recognized in accordance with the accounting policy in Note 2.16. To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

## 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

##### (g) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. To determine whether there is objective evidence of contingent liability, the management considers factors such as probability of occurrence or non-occurrence of uncertain future events and also consults a legal counsel of matters related to litigations.

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT AND CAPITAL MANAGEMENT

##### 5.1. Categories of Financial Assets and Liabilities

The carrying amount of financial assets and financial liabilities included in the statement of financial position, the categories and the headings in which they are included are as follows:

	<u>2019</u> US\$	<u>2018</u> US\$
<b>Financial assets:</b>		
<u>At amortised costs:</u>		
- Trade and other receivables	2,375,422,397	2,222,469,904
- Cash and cash equivalents	111,217,568	132,075,261
<u>Fair value through profit or loss:</u>		
- Derivative financial instruments	1,253,851	-
	<u>2,487,893,816</u>	<u>2,354,545,165</u>
<b>Financial liabilities:</b>		
<u>At amortised costs:</u>		
- Trade and other payables	709,635,794	533,921,845
- Borrowings	754,351,709	831,235,994
<u>Fair value through profit or loss:</u>		
- Derivative financial instruments	-	988,000
	<u>1,463,987,503</u>	<u>1,366,145,839</u>

Further quantitative disclosures are included throughout these financial statements.

##### 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.



## 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

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

##### (a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its trade receivables and bank balances.

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

##### Risk management practices

##### *General approach*

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

##### *Default event*

The company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 90 days or there is significant difficulty of the counterparty.

##### *Significant increase in credit risk*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information such as the following:

- Internal credit rating
- External credit rating
- Actual and expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operation results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the payment status of debtors in the company and changes in the operating results of the debtor.

## 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 – cont'd

##### Risk management practices – cont'd

##### *Significant increase in credit risk – cont'd*

Regardless of the analysis above, a significant increase on credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

##### *Low credit risk*

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

##### *Credit-impaired*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty or the borrower;
- A breach of contract, such as default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial assets because of financial difficulties.

##### *Write-off policy*

The company categorises a receivable for potential write-off when:

- There is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or
- When a debtor fails to make contractual payments more than 365 days past due.

## 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 – cont'd

##### Risk management practices – cont'd

##### *Write-off policy – cont'd*

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

##### *Expected credit loss*

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

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

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

The table below details the credit quality of the company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

31 Mar 2019	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
Trade receivables	12	Note 1	Lifetime ECL (simplified)	1,472,658,918	(1,994,330)	1,470,664,588
Other receivables	12	I	12-month ECL	955,590,539	(50,832,730)	904,757,809
Cash and cash equivalents	14	I	12-month ECL	111,217,568	-	111,217,568
					(52,827,060)	

## 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 – cont'd

##### Risk management practices – cont'd

##### Note 1 (Trade receivables)

The company applies the simplified approach using the provision matrix to provide for ECLs for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The provision matrix is based on historical credit loss experience over the past three years and adjusted for forward-looking estimates. Trade receivables are grouped based on similar credit risk characteristics and days past due.

##### *Expected credit loss assessment*

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

- *Trade receivables*

These are due from customers that have a good credit record with the company. The loss allowance is measured based on lifetime ECL using the provision matrix. Details of ECL are disclosed in Note 12.

- *Other receivables*

Other receivables mainly consist of loan to subsidiaries, related parties and third parties, and interest receivables. Management considers subsidiaries, related parties and third parties receivables to be generally of low credit risk. Credit risk for these receivables has not increased significantly since their initial recognition except for the loan to one of the subsidiaries. These receivables have been measured based on 12-month expected credit loss model. Details of ECL are disclosed in Note 12.

- *Cash and cash equivalents*

The company places its bank deposits with banks with high credit ratings assigned by international credit-rating agencies. Impairment on cash and cash equivalents are measured on the 12-month expected loss basis. Management considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. Therefore, management considers the amount of ECL is insignificant.

##### (b) Market risk

Market risk exposures are measured using sensitivity analysis indicated below:

##### Interest rate risk

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

## 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) Market risk – cont'd

##### Interest rate risk – cont'd

The company is exposed to interest rate risk associated with overdrafts, long-term loans, working and bank capital loans. The exposure to interest rate risk is monitored on a regular basis to ensure that the bank borrowings are maintained at favourable interest rates. The interest rates and terms of repayment of borrowings are disclosed in Note 17 to the financial statements. Management believes that interest rate risk is manageable; hence, the company does not use derivative financial instruments to mitigate this risk.

The company is also exposed to interest rate risk associated with cash management activities whereby excess fund are placed with financial institutions and are subjected to changes in basis of prime interest rate as disclosed in Note 14 to the financial statements. The objective of interest rate risk management is to manage and control interest rate risk exposure within acceptable parameters while optimising the return on risk. With the current interest rate level, the directors of the company do not expect any future variations in the interest rates to have a significant impact on the net profit.

The company's exposure to interest rate on financial assets and liabilities are detailed in the liquidity risk section of this note.

##### Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting year. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

Assuming that the amount of borrowings outstanding at the end of the financial year was outstanding for the whole year and interest rates increase/decrease instantaneously by 50 basis points from the end of the financial year, with all other variables held constant, the interest expense of the company, which would impact profit before tax and equity would increase/ decrease by approximately **US\$3,883,602** (2018: US\$3,026,227).

##### Foreign currency risk

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

The company transacts mainly in United States dollar 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.

## 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) Market risk – cont'd

##### Foreign currency risk – cont'd

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

	<u>2019</u> US\$	<u>2018</u> US\$
<b>Singapore dollar exposure:</b>		
<b><u>Financial assets and liabilities:</u></b>		
Trade and other receivables	927,922	502,909
Cash and cash equivalents	59,147	237,105
Borrowings	-	(124,061)
Trade and other payables	(34,144)	(22,177)
Net foreign currency exposure	<u>952,925</u>	<u>593,776</u>
	<u>2019</u> US\$	<u>2018</u> US\$
<b>Australian dollar exposure:</b>		
<b><u>Financial assets and liabilities:</u></b>		
Trade and other receivables	13,806,350	-
Trade and other payables	(148,444)	-
Net foreign currency exposure	<u>13,657,906</u>	<u>-</u>

##### *Sensitivity analysis for foreign currency risk*

The analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. A 10% increase or decrease is used when reporting foreign exchange rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

A 10% strengthening of United States dollar against the following currencies would increase/ (decrease) profit or loss and equity by the amount shown below:

	<u>2019</u> US\$	<u>2018</u> US\$
Strengthen 10% (2018: 10%)		
- S\$/US\$	(95,292)	(59,378)
- AU\$/US\$	<u>(1,365,791)</u>	<u>-</u>

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

## 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) Market risk – cont'd

##### Commodity price risk

Commodity price risk arises 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 main transacting commodity is coal. 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.

##### (c) 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 99% (2017: 95%) 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.

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the company is expected to pay. The table includes both interest and principal cash flows.

		<u>Contractual undiscounted cash flows</u>			
<u>2019</u>	<u>Effective interest rate p.a.</u> %	<u>Carrying amount</u> US\$	<u>One year or less</u> US\$	<u>Two to five years</u> US\$	<u>Total</u> US\$
<u>Non-derivative</u>					
<u>Financial liabilities:</u>					
Trade and other payables	-	709,635,794	709,635,794	-	709,635,794
Borrowings	Note 17	754,351,709	656,026,614	98,325,095	754,351,709
Total undiscounted financial liabilities		1,463,987,503	1,365,662,408	98,325,095	1,463,987,503

## 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) Liquidity risk – cont'd

		<u>Contractual undiscounted cash flows</u>			
<u>2018</u>	<u>Effective interest rate p.a.</u> %	<u>Carrying amount</u> US\$	<u>One year or less</u> US\$	<u>Two to five years</u> US\$	<u>Total</u> US\$
<u>Non-derivative</u>					
<u>Financial liabilities:</u>					
Trade and other payables	-	533,921,845	533,921,845	-	533,921,845
Borrowings	Note 17	831,235,994	822,079,324	9,167,434	831,246,758
Total undiscounted financial liabilities		1,365,157,839	1,355,001,169	9,167,434	1,365,168,603

<u>2019</u>	Effective interest rate p.a. %	Carrying amount US\$	<u>Contractual undiscounted cash flows</u>		
			One year or less US\$	Two to five years US\$	Total US\$
<b>Derivatives financial liabilities/ (assets):</b>					
- Net settled commodity swap	-	(1,253,851)	(1,253,851)	-	(1,253,851)

<u>2018</u>	Effective interest rate p.a. %	Carrying amount US\$	<u>Contractual undiscounted cash flows</u>		
			One year or	Two to five	<u>Total</u> US\$
			<u>less</u> US\$	<u>years</u> US\$	
<b>Derivatives financial liabilities/ (assets):</b>					
- Net settled commodity swap	-	988,000	988,000	-	988,000

It is not expected that the cash flows included in the maturity analysis of the company could occur significantly earlier, or at significant different amount.



## 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

##### (i) Financial assets and liabilities

Management has determined that the carrying amounts of cash margin with brokers, trade and other receivables, cash and cash equivalents, trade and other payables and interest bearing borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

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

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

Financial Assets / Financial (Liabilities)	Fair Value		Fair Value Hierarchy	Valuation Technique and Key Impact	Significant unobservable input	Relationship of unobservable inputs to fair value
	Assets/ (Liabilities)	2018				
	2019	2018				
	US\$	US\$				
- Derivative financial instruments (Note 19)	1,253,851	(988,000)	Level 2	Inputs other than quoted prices included within Level 1	N.A.	N.A.

## 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 – cont'd

##### (ii) Fair value of the company's financial assets and financial liabilities that are measured at fair value on a recurring basis – cont'd

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

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

During the financial year ended 31 March 2019, there was no transfer between instruments in Level 1, Level 2 and Level 3, or vice versa.

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

##### 5.3. Capital 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.

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>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
Trade and other payables	794,280,954	601,181,493
Borrowings	754,351,709	831,235,994
Derivative financial instruments	-	988,000
Less: Cash and cash equivalents	<u>(111,217,568)</u>	<u>(132,075,261)</u>
Net debt	1,437,415,095	1,301,330,226
Total equity	1,107,339,839	1,082,286,515
Total capital	<u>2,544,754,934</u>	<u>2,383,616,741</u>
Gearing ratio	<u>56%</u>	<u>55%</u>

The capital structure of the company's mainly consists of equity and debt and the company's overall strategy remains unchanged from 31 March 2018.

## 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 will continue to monitor economic conditions related to its operations and will make adjustments to its capital structure where necessary.

The company was in compliance with all externally imposed capital requirements (Note 17).

#### 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 at terms agreed between the parties during the financial year.

The related party balances are unsecured, repayable on demand and interest free unless otherwise stated. Certain liabilities are supported by documents from a related party.

Significant related party transactions:

	<u>2019</u> US\$	<u>2018</u> US\$
Sales to:		
- ultimate holding company	810,394,449	743,447,080
- subsidiary	25,953,407	1,476,000
- related companies	<u>730,167,417</u>	<u>980,437,901</u>
Purchases from		
- related companies	<u>461,880,484</u>	<u>620,475,947</u>
Freight and other charges from		
- related companies	712,380	932,361
- subsidiaries	<u>193,674,756</u>	<u>242,270,425</u>
Other expenses to related companies		
- Professional fees	773,088	-
- Interest expenses	<u>-</u>	<u>2,478,463</u>
Recovery of expenses from related companies	<u>14,524,812</u>	<u>8,418,807</u>
Key management personnel compensation:		
- Short-term employee benefits paid to directors	<u>4,221,825</u>	<u>2,315,210</u>

# ADANI GLOBAL PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

### 8. PROPERTY, PLANT AND EQUIPMENT

	<u>Computer &amp; Office Equipment</u> US\$	<u>Furniture &amp; Fittings</u> US\$	<u>Barges</u> US\$	<u>Leasehold Property</u> US\$	<u>Total</u> US\$
<u>Cost</u>					
At 1.4.2017	417,665	613,605	8,500,000	-	9,531,270
Additions	10,453	-	-	-	10,453
<b>At 31.3.2018</b>	428,118	613,605	8,500,000	-	9,541,723
Reclassified from investment properties	-	-	-	2,592,802	2,592,802
Additions	171,458	89,884	-	-	261,342
<b>At 31.3.2019</b>	<b>599,576</b>	<b>703,489</b>	<b>8,500,000</b>	<b>2,592,802</b>	<b>12,395,867</b>
<u>Accumulated depreciation</u>					
At 1.4.2017	282,817	362,286	1,885,978	-	2,531,081
Charge for the year	63,052	108,590	403,750	-	575,392
<b>At 31.3.2018</b>	345,869	470,876	2,289,728	-	3,106,473
Reclassified from investment properties	-	-	-	460,034	460,034
Charge for the year	71,488	85,529	403,750	3,601	564,368
<b>At 31.3.2019</b>	<b>417,357</b>	<b>556,405</b>	<b>2,693,478</b>	<b>463,635</b>	<b>4,130,875</b>
<u>Net carrying amount</u>					
At 31.3.2018	82,249	142,729	6,210,272	-	6,435,250
<b>At 31.3.2019</b>	<b>182,219</b>	<b>147,084</b>	<b>5,806,522</b>	<b>2,129,167</b>	<b>8,264,992</b>

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 8. PROPERTY, PLANT AND EQUIPMENT – cont'd

As at 31 March 2019, the residual values (estimated scrap value at the end of the barges' useful lives) of the barges were estimated at US\$425,000 (2018: US\$425,000).

The company has calculated the residual value of the barges taking into consideration the scrap value. The company has applied uniformly the scrap value of US\$217 (2018: US\$217) per ton for its barges. The company believes that the assumptions used to determine the scrap rate are reasonable and appropriate; as such assumptions are highly subjective, in part, because of the cyclical nature of future demand for scrap steel.

The fair value of the company's leasehold property at the end of the reporting period has been determined based on 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 property being valued.

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 31.3.2018	4,826,852
Reclassified to property, plant and equipment	<u>(2,592,802)</u>
<b>At 31.3.2019</b>	<b><u>2,234,050</u></b>
<u>Accumulated depreciation</u>	
At 31.3.2017	706,235
Charged for the year	<u>80,608</u>
At 31.3.2018	786,843
Charge for the year	77,008
Reclassified to property, plant and equipment	<u>(460,034)</u>
<b>At 31.3.2019</b>	<b><u>403,817</u></b>
<u>Net carrying amount</u>	
At 31.3.2018	<u>4,040,009</u>
<b>At 31.3.2019</b>	<b><u>1,830,233</u></b>

Details of investment properties are as follows:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Leasehold property I	<u>-</u>	<u>-</u>	<u>2,592,802</u>	<u>2,973,241</u>
Leasehold property II	<u>2,234,050</u>	<u>2,885,436</u>	<u>2,234,050</u>	<u>2,477,701</u>

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 9. INVESTMENT PROPERTIES – cont'd

Leasehold property II was leased to third parties under operating lease during the financial year (Note 27).

The following amounts are recognised in the statement of comprehensive income:

	<u>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
Rental income	<u>111,856</u>	<u>119,429</u>
Direct operating expenses arising from investing property:		
Property tax	<u>(15,634)</u>	<u>(20,596)</u>
Depreciation	<u>(37,309)</u>	<u>(37,309)</u>

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.

During the year, the company carried out a review of the recoverable amount of investment properties. As a result, there were no allowances for impairment required for the investment properties.

#### 10. INVESTMENT IN SUBSIDIARIES

	<u>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
<u>Unquoted equity investments at cost</u>		
At beginning of financial year	<u>48,900,204</u>	48,896,618
Additions	<u>777</u>	3,586
At end of financial year	<u>48,900,981</u>	48,900,204
Less: Impairment	<u>(9,000,000)</u>	-
	<u>39,900,981</u>	<u>48,900,204</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>2019</u> %	<u>2018</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	100	100
Adani Minerals Pty Ltd	Export & import and mine supporting activity	Australia	90	90

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 10. INVESTMENT IN SUBSIDIARIES – cont'd

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>2019</u> %	<u>2018</u> %
Adani Shipping Pte Ltd	Chartering and owning of ships, barges and boats	Singapore	100	100
Adani North America Inc.	Business development and mine supporting activity	United States	100	100
Adani Infrastructure Pty Ltd	Export & import and mine supporting activity	Australia	100	100
Adani Bunkering Pvt Ltd (Formerly known as Chemoil Adani Private Limited)	Supply of petroleum products and rental of storage terminal facilities	India	99	99
Adani Global Resources Pte Ltd	General wholesale trade including general importers and exporters and purchase of royalty rights	Singapore	100	100
Adani Global Royal Holding Pte Ltd	General wholesale trade including general importers and exporters and purchase of royalty rights	Singapore	100	100
Adani Renewable Asset Holdings Pty Ltd	Development of solar projects	Australia	100	100
Adani Renewable Asset Holdings Trust	Development of solar projects	Australia	100	100
Adani Australia Pty Ltd	Management service provider for projects	Australia	100	-

Adani Australia Pty Ltd was incorporated on 19 April 2018 in Australia.

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

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 10. INVESTMENT IN SUBSIDIARIES – cont'd

As at the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiaries. 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.

Management has impaired in full the cost of investment in Adani Mining Pty Ltd as the net assets value of the subsidiary were lower than fair value less costs to sell, as at the reporting date,

#### 11. INTEREST IN JOINT VENTURES

	<u>2019</u> US\$	<u>2018</u> US\$
<u>Unquoted equity investments at cost</u>		
At beginning of financial year	3,801,020	3,801,020
Addition	5,880	-
Disposal	(2,000)	-
	<u>3,804,900</u>	<u>3,801,020</u>
At end of financial year		

Details of the joint ventures are as follows:

<u>Name of the joint venture</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Equity holding</u>	
			<u>2019</u> %	<u>2018</u> %
Adani Wilmar Pte Ltd	Business of trading in various types of pulses, grains and other agricultural commodities	Singapore	50	50
Adani Green Energy Pte. Ltd.	Other holding company	Singapore	-	51
Adani Solar USA Inc.	Development of renewable energy projects	United States	49	-

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 ventures. The review revealed no impairment in value required.



## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 12. TRADE AND OTHER RECEIVABLES

	<u>2019</u> US\$	<u>2018</u> US\$
Trade receivables:		
- ultimate holding company (Note 6)	525,760,225	279,031,207
- related companies (Note 7)	523,924,108	759,856,198
- subsidiary (Note 10)	12,593,438	270,000
- third parties	410,381,146	358,683,030
	<u>1,472,658,918</u>	<u>1,397,840,435</u>
Less: allowance for impairment	<u>(1,994,330)</u>	<u>(212,920)</u>
	<b>1,470,664,588</b>	<b>1,397,627,515</b>
Other receivables:		
Trade advances to:		
- related companies (Note 7)	32,403,339	32,923,062
- subsidiary (Note 10)	22,484,882	12,640,000
- third parties	54,659,131	50,212,764
GST receivables	451,983	440,449
Loan to employees	20,687	62,117
Interest receivables	1,347,331	1,552,233
Commodity margin money	-	10,960
Other receivables – third parties	79,273	138,023
Loan to:		
- subsidiaries (Note 10)	755,727,050	622,768,050
Less: allowance for impairment	<u>(50,832,730)</u>	<u>-</u>
- third parties	<u>198,416,198</u>	<u>201,269,946</u>
	<b><u>2,485,421,732</u></b>	<b><u>2,319,645,119</u></b>

#### (a) Trade receivables

Trade receivables are non-interest bearing and the credit periods are within 30 to 360 days' (2018: 30 to 360 days') terms except for supply of capital equipment which carries a credit period of more than 360 days. 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.

The company has concentration of trade receivables (credit risk) with two counter parties (2018: three counter parties) contributing approximately 57% (2018: 56%) of trade receivables.

#### (b) Trade receivables that are discounted

Included in trade receivables, a sum of US\$349,950,144 (2018: US\$349,948,406), which were discounted to banks which 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 on full recourse basis with company and the agreed date of payment is recorded on an accrual basis.

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

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 12. TRADE AND OTHER RECEIVABLES – cont'd

Loan to subsidiaries are unsecured, interest-free and are repayable on demand.

During the year, the company recognised impairment loss of US\$ 50,832,730 (2018: Nil) representing the write-down of loan to subsidiaries to their recoverable amount. This write-down was on account of review of fair value less cost to disposal (FVLCD) of a subsidiary's assets. The determination of this FVLCD is most sensitive to the following key assumptions:

- Long term commodity price
- Discount Rates
- Exchange Rates
- Project Status

The ultimate holding company, Adani Enterprises Limited (AEL) has agreed that if the loan to subsidiary is called back and the subsidiary does not have financial ability to repay the loan, AEL will provide financial support to the subsidiary for meeting its financial obligations.

Loan to third parties are secured, interest bearing at 6% (2018: 6%) per annum and repayable over the duration of the loan.

The credit risk profile of trade receivables is presented based on their past due status as follows:

	<u>2019</u> US\$
<u>Trade receivables – gross amounts</u>	
Not past due	1,338,174,554
< 30 days	397,590
31 to 60 days	117,432,435
61 to 90 days	-
> 90 days	16,654,339
	<u>1,472,658,918</u>

For the above balances, an expected credit loss of US\$1,994,330 was recognised during the financial year.

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

	<u>2019</u> US\$
At 1 April 2018 under FRS 109	212,920
Amounts written off	(212,920)
Allowance made during the year	1,994,330
At 31 March 2019	<u>1,994,330</u>

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 12. TRADE AND OTHER RECEIVABLES – cont'd

The company's credit risk exposure in relation to trade receivables under FRS 39 as at 31 March 2018 are set out as follows:

	<u>2018</u> <u>US\$</u>
<u>Trade receivables – gross amounts</u>	
Not past due	1,168,552,243
< 30 days	36,235,619
31 to 60 days	14,577,954
61 to 90 days	5,410,864
> 90 days	173,063,755
	<u>1,397,840,435</u>

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 and considers that no allowance for impairment of other receivables is necessary as there were no recent history of default in respect of these debtors.

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. Prior to 1 April 2018, trade receivables were individually determined to be impaired at the end of reporting period and relate to debtors that are in significant financial difficulties. These receivables are not secured by any collaterals or credit enhancements. From 1 April 2018, the allowance is computed based on expected credit loss of receivables.

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>2018</u> <u>US\$</u>
At beginning of the year	210,527
Provision during the year	2,393
Written off during the year	-
	<u>212,920</u>

Trade and other receivables are denominated in following currencies:

	<u>2019</u> <u>US\$</u>	<u>2018</u> <u>US\$</u>
Australian dollar	13,806,350	-
Euro dollar	254,479	-
Indian rupee	1,446	1,534
Singapore dollar	881,761	1,034,320
United States dollar	2,470,477,696	2,318,609,265
	<u>2,485,421,732</u>	<u>2,319,645,119</u>

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 13. OTHER CURRENT ASSETS

	<u>2019</u> US\$	<u>2018</u> US\$
Deposits	477,749	598,024
Prepayments	9,329,585	6,030,115
	<u>9,807,334</u>	<u>6,628,139</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.

#### 14. CASH AND CASH EQUIVALENTS

	<u>2019</u> US\$	<u>2018</u> US\$
Bank balances	9,522,927	27,712,224
Fixed deposits	101,694,641	104,363,037
	111,217,568	132,075,261
Less:		
Restricted deposits	<u>(101,694,641)</u>	<u>(104,363,037)</u>
Cash and cash equivalents as per the statement of cash flows	<u>9,522,927</u>	<u>27,712,224</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 3 days to 365 days (2018: 3 days to 324 days) depending upon the immediate cash requirements of the company. The fixed deposits bear average effective interest rate of 0.6%-3.28% (2018: 0.40%-1.95%) 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.

Cash and cash equivalents are denominated in the following currencies:

	<u>2019</u> US\$	<u>2018</u> US\$
Singapore dollar	59,147	237,105
United States dollar	111,158,421	131,838,156
	<u>111,217,568</u>	<u>132,075,261</u>

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUE

#### 15. SHARE CAPITAL

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>Number of ordinary shares</u>		<u>US\$</u>	<u>US\$</u>
<u>Issued and paid up</u>				
Ordinary shares	<u>43,117,530</u>	43,117,530	<u>27,600,000</u>	27,600,000

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

#### 16. RESERVE

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Merger reserve	<u>18,881,167</u>	<u>18,881,167</u>

##### Merger Reserve

Merger reserve pertains to the value of residual assets that were taken over by the Adani Global Pte.Ltd as part of corporate restructuring of Adani Bunkering Pte. Ltd. These reserves are non-distributable.

#### 17. BORROWINGS

	<u>2019</u>	<u>2018</u>
	<u>US\$</u>	<u>US\$</u>
Long term bank loans	9,167,434	27,626,364
Working capital loans	<u>745,184,275</u>	<u>803,609,630</u>
	<u>754,351,709</u>	<u>831,235,994</u>
<b>Long term bank loans</b>		
Term loan i	-	76,434
Term loan ii	-	47,627
Term loan iii	<u>9,167,434</u>	<u>27,502,303</u>
Total long term bank loans	<u>9,167,434</u>	<u>27,626,364</u>
Less: Current portion		
Term loan i	-	(76,434)
Term loan ii	-	(47,627)
Term loan iii	<u>(9,167,434)</u>	<u>(18,334,869)</u>
Total current portion	<u>(9,167,434)</u>	<u>(18,458,930)</u>
Total non-current portion	<u>-</u>	<u>9,167,434</u>

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUE

#### 17. BORROWINGS – cont'd

	<u>2019</u> US\$	<u>2018</u> US\$
<b>Working capital loans</b>		
Trust receipts, freight and invoice financing	144,409,036	177,836,128
Trade bills discounting	349,950,144	349,948,406
Credit facilities	27,500,000	27,500,000
Revolving credit facility	223,325,095	248,325,096
Total working capital loans	<u>745,184,275</u>	<u>803,609,630</u>
Less: Current portion		
Working capital loans	<u>(646,859,180)</u>	<u>(803,609,630)</u>
Total non-current portion	<u>98,325,095</u>	<u>-</u>
<b>Represented as:</b>		
Current portion:		
Long term bank loans	9,167,434	18,458,930
Working capital loans	646,859,180	803,609,630
	<u>656,026,614</u>	<u>822,068,560</u>
Non-current portion:		
Long term bank loans - Term loan iii	-	9,167,434
Working capital loans - Revolving credit facility	98,325,095	-
	<u>98,325,095</u>	<u>-</u>
<b>Total borrowings</b>	<u>754,351,709</u>	<u>831,235,994</u>

#### Long term bank loans

##### a) Term loan i & ii

The company obtained two term loans from Standard Chartered Bank to finance the acquisition of the investment property and leasehold property situated at 10 Anson Road #34-15 & #34-16, International Plaza, Singapore on 3 June 2008. The loans bear interest at the rate of 3.2% (2018: 3.2%) per annum above 3 Months Singapore Inter Bank Offer Rate ("SIBOR") and the loans were repayable over a period of 10 years. The repayments commence from 15 August 2008 and continued until 15 August 2018. The loans were secured by first legal mortgage over the leasehold property and investment property of the company (Note 8 and Note 9). Accordingly, the loans have been fully repaid during the financial year and the related charges over the properties has been released.

##### b) Term loan iii

The company entered into a facility arrangement called structured swap facility with a financial institution for USD 50 million. This facility used frequently applied commodity price index as a reference price in its calculation to determine the payment amounts. The reference price used in the calculation period is limited to a pre-determined range of prices. The bank is contractually obliged to pay the value derived from Notional Value and reference price. The company is also contractually obliged to pay the value derived from Notional Value and reference price and an additional commodity linked liquidity charge based on 6 Months LIBOR and a margin. This swap facility is settled on a net settlement basis every 6 months, until 3 June 2019.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUE

#### 17. **BORROWINGS – cont'd**

##### Working capital loans

##### a) Trust receipts, freight and invoice financing

The company obtained the trust receipts, freight and invoice financing from various banks. Trust receipts loan bears interest ranging from 3.89% to 5.85% (2018: 2.12% to 4.83%) per annum and repayable within 28 days to 270 days (2018: 7 days to 180 days). Freight financing loan bears interest ranging from 5.67% to 5.90% (2018: 4.68% to 5.12%) per annum and repayable within 180 days (2018: 30 days to 90 days).

##### b) Trade bills discounting

The company obtained the bill discounting facilities from various banks. The loans arise from foreign bills discounted, which are granted the right of recourse to the banks and are recognised as collateralised borrowing in the financial statements until the related assets are derecognised. The average maturity of the bills are 80 to 249 days (2018: 60 to 180 days) from the invoices date and bear interest rate ranging from 3.91% to 6.40% (2018: 3.06% to 5.43%) per annum. Interest for the period between the date of discounting the bills and the agreed date of payment is recognised on an accrual basis.

##### c) Credit facilities

The company obtained the credit facilities from various banks which bears interest at the rate ranging from 2.75% to 4.02% (2018: 2.75% to 4.02%) per annum and repayable within 32 days to 180 days.

##### d) Revolving credit facility

The company obtained revolving credit facility from a bank to finance for trading of renewable equipment, bears interest at the rate of 3.25% (2018: 3.25%) per annum above LIBOR and repayable by June 2020 in four instalments as follows:

- (i) US\$25,000,000 is repayable after 18 months from the date of the facility first being utilised.
- (ii) US\$50,000,000 is repayable after 24 months from the date of the facility first being utilised.
- (iii) US\$75,000,000 is repayable after 30 months from the date of the facility first being utilised.
- (iv) US\$100,000,000 is repayable after 36 months from the date of the facility first being utilised.

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 borrowings are secured by:

- i) Lien on fixed deposits (Note 14).
- ii) Charges over certain specific receivable, inventories and the related marine insurance policies, which are financed by the banks.

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 17. BORROWINGS – cont'd

The above borrowings are subject to loan covenants that require the maintenance of certain financial ratios as follows:

The company shall maintain:

- a) a sum of tangible net worth of US\$750,000,000 at all times.
- b) total liabilities to net worth shall not exceed 5:1 at any point of time.
- c) gearing ratio (defined as total liabilities to tangible net worth), current ratio, debt to equity ratio, net debt to EBITDA as defined in the respective credit facility agreements.

The company regularly monitors its compliance with the financial covenants.

Borrowings are denominated in the following currencies:

	<u>2019</u> US\$	<u>2018</u> US\$
Singapore dollar	-	124,061
United States dollar	754,351,709	831,111,933
	<u>754,351,709</u>	<u>831,235,994</u>

#### 18. TRADE AND OTHER PAYABLES

	<u>2019</u> US\$	<u>2018</u> US\$
Trade payables:		
- third parties	691,065,344	473,355,335
- subsidiaries (Note 10)	-	29,487,465
- related companies (Note 7)	81,233	138,485
	<u>691,146,577</u>	<u>502,981,285</u>
Advances from customers	84,645,160	67,259,648
Deposit received	18,075	20,576
Accrued expenses	4,586,213	4,699,992
Other payables		
- third parties	2,448,785	10,097,583
- subsidiaries (Note 10)	5,521,278	7,029,247
- joint venture (Note 11)	-	1,020
- related company (Note 7)	-	5,174
Interest payables	5,508,980	7,636,218
Withholding tax payables	18,276	-
Commodity payables	387,610	1,450,750
	<u>794,280,954</u>	<u>601,181,493</u>

Trade payables are non-interest bearing and are normally settled on 30 to 60 days (2018: 30 to 60 days) and import bills acceptance up to 180 days. Trade payables are principally comprising amounts outstanding for trade purchases.

Other payables to subsidiary, joint venture and related party are unsecured, interest-free and repayable on demand.



## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 18. TRADE AND OTHER PAYABLES – cont'd

##### Coal Advance Sale and Purchase Transaction

A facility arrangement between the company and a counterparty was entered into for a coal advance sale and purchase transaction (the “transaction”). During the term of the transaction, the counterparty, subject to selection of physical delivery option, pays for prepaid amount linked to a commodity price index but subject to a Cap Price as per agreement and the company would pay to the counterparty a semi-annual commodity linked charge in respect of this transaction.

The contracted value of US\$34,384,170 (2018: US\$48,137,837) has been recognised as a liability by the company as on reporting date.

The transaction covers a contractually agreed notional amount of Specific commodity over 3 years commencing May 2017.

Trade and other payables are denominated in the following currencies:

	<u>2019</u> US\$	<u>2018</u> US\$
United States dollar	794,098,366	601,159,316
Singapore dollar	34,144	22,177
Australian dollar	148,444	-
	<u>794,280,954</u>	<u>601,181,493</u>

#### 19. DERIVATIVE FINANCIAL INSTRUMENTS

<u>2019</u>	<u>Contractual</u> <u>Notional value</u> US\$	<u>Assets/(Liabilities)</u> US\$
Commodity swaps		
Purchases	16,650,450	(3,178,450)
Sales	22,483,050	4,297,800
Currency derivatives		
Purchases	-	-
Sales	13,108,920	134,501
Net position		<u>1,253,851</u>
<u>2018</u>		
Commodity swaps		
Purchases	13,844,250	(768,000)
Sales	26,072,500	(220,000)
Currency derivatives		
Purchases	-	-
Sales	-	-
Net position		<u>(988,000)</u>

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 19. DERIVATIVE FINANCIAL INSTRUMENTS – cont'd

The company has entered into commodity and currency derivatives to manage its exposure to price risk and foreign exchange risk.

The fair value of the derivatives is determined based on mark-to-market valuation provided by the bank as at end of reporting period. The company does not designate its derivative contract as hedging instrument and the fair value gain of **US\$ 4,866,841** (2018: loss of US\$22,228,373) has been recognised in the statement of comprehensive income.

Derivative financial instrument is denominated in United States dollar.

#### 20. REVENUE

Disaggregation of revenue from contracts with customers.

	<u>2019</u> US\$	<u>2018</u> US\$
Revenue from:		
Sale of commodities	3,202,896,263	3,420,712,969
Sales of capital goods	66,433,071	258,353,672
Sales of scraps	35,769,993	23,893,641
	<u>3,305,099,327</u>	<u>3,702,960,282</u>

All revenue are recognised at a point in time.

#### 21. OTHER INCOME

	<u>2019</u> US\$	<u>2018</u> US\$
Operating income:		
- foreign currency exchange gain	50,990	-
- interest income from financial institutions	1,612,025	1,279,307
- interest income from third parties	10,827,816	14,010,571
- over provision of ocean freight expenses	893,131	-
- write back of trade payables	10,678,260	-
	<u>24,062,222</u>	<u>15,289,878</u>
Non-operating income:		
- rental income from investment property	111,856	119,429
- sundry balances written back	2,337	18,410
- temporary employment credit	1,323	3,426
- wage credit scheme	453	-
- other miscellaneous income	5,098	18,581
	<u>121,067</u>	<u>159,846</u>
	<u>24,183,289</u>	<u>15,449,724</u>

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 21. OTHER INCOME – cont'd

##### Wage Credit Scheme

In Budget 2018, it was announced that the WCS will be extended for three more years, i.e. 2018, 2019 and 2020, to support businesses embarking on transformation efforts and encourage sharing of productivity gains with workers. Government co-funding will be maintained at 20% in 2018. Subsequently, the co-funding ratio will be stepped down to 15% in 2019 and 10% in 2020.

The Government will extend the WCS for two more years from 2016 and 2017 with reduced level of co-funding. Over the period of 2016 to 2017, The Government will co-fund 20% (instead of 40%) of wages increases given to Singaporean employees earning gross monthly wage of S\$4,000 and below.

##### Temporary Employment Credit

The Temporary Employment Credit (TEC) was introduced as a 2015 Budget initiative to help alleviate the rise in business costs due to the increase in Medisave contribution rates in 2015. It also provides additional support to help employers adjust to cost increases associated with the CPF changes which take effect in 2016. The TEC will apply for 3 years from 2015 to 2017.

#### 22. FINANCE COSTS

	<u>2019</u> US\$	<u>2018</u> US\$
Interest on loans, borrowings and bill discounting	42,377,353	36,399,932
Bank charges and commission	5,661,908	4,786,518
L/C charges	4,155,164	4,504,808
Other interest	808,409	3,035,710
	<u>53,002,834</u>	<u>48,726,968</u>

#### 23. INCOME TAX

	<u>2019</u> US\$	<u>2018</u> US\$
Current tax:		
Provision for current year	5,518,000	5,833,000
Under provision of income tax in prior years	61,428	498,502
	<u>5,579,428</u>	<u>6,331,502</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% (2018: 17% and 5%) to profit before income tax as a result of the following differences:

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 23. INCOME TAX – cont'd

	<u>2019</u> US\$	<u>2018</u> US\$
Profit before income tax	30,632,752	82,038,972
Income tax expense calculated at 17% (2018: 17%)	5,207,568	13,946,625
Tax effects of:		
- GTP tax concessions	(10,261,657)	(8,168,529)
- non-deductible items	10,592,329	82,341
- partial tax exemptions	(12,860)	(19,799)
- tax rebate	(7,380)	(7,638)
	5,518,000	5,833,000
Under provision of income tax in prior years	61,428	498,502
	<u>5,579,428</u>	<u>6,331,502</u>

On 1 April 2018, the company qualified under the Global Trader Programme 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 43P of the Singapore Income Tax Act (Cap.134) is available for a period of 5 years with effect from 1 April 2018, with a possible extension for further periods.

The non-qualifying income under GTP is taxed under the standard Singapore Income Tax rate of 17% (2018:17%).

#### Movement in income tax payables

	<u>2019</u> US\$	<u>2018</u> US\$
Balance at beginning of year	5,833,000	5,898,705
Income tax paid	(5,883,339)	(6,397,207)
Income tax expenses	5,579,428	6,331,502
Balance at end of year	<u>5,529,089</u>	<u>5,833,000</u>

#### 24. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	<u>2019</u> US\$	<u>2018</u> US\$
Employee benefit expenses (including director's emoluments)	7,510,108	5,889,565
Cost of defined contribution plans included in employee benefits	90,706	85,215
Bad debts expenses	763,446	-
Impairment loss on investment in subsidiaries	9,000,000	-
Legal and professional fees	2,378,517	5,207,445
Provision for doubtful debts	-	2,393
Write off of trade advances	-	1,399,389

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 25. CONTINGENT LIABILITIES

	<u>2019</u> US\$	<u>2018</u> US\$
Financial support given to those subsidiaries having:		
- deficiencies in shareholders' funds	383,633,663	21,902,074
- current liabilities in excess of current assets	<u>68,420,825</u>	<u>67,411,641</u>

#### 26. COMMITMENTS

	<u>2019</u> US\$	<u>2018</u> US\$
Performance guarantee	160,263,859	58,364,421
Letters of credit	<u>126,854,146</u>	<u>251,797,608</u>
	<u>287,118,005</u>	<u>310,162,029</u>

On 9 March 2018, the company gave a guarantee of US\$ 5.4075m to a third party on behalf of its related party for the contract between the related party and the third party to guarantee future contractual payment obligation.

On 15 August 2018, the company gave a guarantee of US\$ 18.6m to a third party on behalf of its related party for the purpose of purchasing equity interest in Hunter Solar LLC and Sigurd Solar LLC.

On 27 August 2018, for the purpose of satisfying contractual obligations, the company gave a guarantee of US\$ 3.515m to a third party on behalf of its related parties.

#### 27. OPERATING LEASE COMMITMENTS

##### The company as lessor

	<u>2019</u> US\$	<u>2018</u> US\$
Minimum lease receipts under operating lease recognised as an income in the year	<u>111,856</u>	<u>119,429</u>

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

	<u>2019</u> US\$	<u>2018</u> US\$
Within one year	116,000	49,446
In the second to fifth years inclusive	<u>43,500</u>	<u>-</u>
	<u>159,501</u>	<u>49,446</u>

The company rents out its investment property to a non-related party under operating lease (Note 9).

## ADANI GLOBAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 27. OPERATING LEASE COMMITMENTS – cont'd

*The company as lessee*

	<u>2019</u> US\$	<u>2018</u> US\$
Minimum lease payments under operating lease recognised as an expense in the year	<u>701,189</u>	<u>676,674</u>

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

	<u>2019</u> US\$	<u>2018</u> US\$
Within one year	700,027	388,631
In the second to fifth years inclusive	<u>782,493</u>	<u>343,254</u>
	<u>1,482,520</u>	<u>731,885</u>

#### 28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

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

<u>Borrowings (Note 17)</u>	<u>2019</u> US\$	<u>2018</u> US\$
Balance at beginning of the year	831,235,994	636,133,394
<i>Financing cash flow on cash transactions:</i>		
Add: Proceeds from borrowings	1,737	253,695,449
Less: Repayment of borrowings	<u>(76,863,032)</u>	<u>(58,611,312)</u>
	(76,861,295)	195,084,137
<i>Non-cash transaction:</i>		
Add: Foreign exchange loss	<u>(22,990)</u>	<u>18,463</u>
Balance at the end of year	<u>754,351,709</u>	<u>831,235,994</u>

#### 29. EVENTS AFTER THE REPORTING PERIOD

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

# ADANI GLOBAL PTE. LTD.

## DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2019

	2019 US\$	2018 US\$
<b>Sales</b>	3,305,099,327	3,702,960,282
<b>Less: Cost of goods sold</b>		
Opening inventories	-	-
Purchases	2,790,430,840	3,206,460,974
Freight & material handling	375,186,365	363,745,081
	3,165,617,205	3,570,206,055
Less: Closing inventories	-	-
	(3,165,617,205)	(3,570,206,055)
<b>Gross profit</b>	139,482,122	132,754,227
<b>Add: Other income</b>		
<b>Operating income</b>		
Foreign currency exchange gain	50,990	-
Interest income from financial institutions	1,612,025	1,279,307
Interest income from third parties	10,827,816	14,010,571
Over provision of ocean freight expenses	893,131	-
Write back of trade payables	10,678,260	-
<b>Non-operating income</b>		
Rental income from investment property	111,856	119,429
Sundry balances written back	2,337	18,410
Temporary employment credit	1,323	3,426
Wage credit scheme	453	-
Other miscellaneous receipts	5,098	18,581
	24,183,289	15,449,724
	163,665,411	148,203,951
<b>Less: Operating expenses</b>		
- Schedule 'A'	133,032,659	66,164,979
	(133,032,659)	(66,164,979)
<b>Profit before income tax</b>	30,632,752	82,038,972

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

# ADANI GLOBAL PTE. LTD.

Schedule 'A'

## OPERATING EXPENSES

FOR THE YEAR ENDED 31 MARCH 2019

	<u>2019</u> US\$	<u>2018</u> US\$
<b>Marketing and distribution expenses</b>		
Brokerage and commission	3,873,193	1,018,086
Business promotion expenses	53,900	75,511
Entertainment expenses	26,897	49,249
Insurance	588,961	418,422
<b>Administrative expenses</b>		
Auditors' remuneration	75,000	72,200
Communication	74,264	70,660
Directors remuneration	4,216,307	2,147,470
Directors CPF	5,518	16,605
Donations	2,839	29,506
Electricity expenses	23,236	20,199
Insurance	39,424	56,665
Legal and Professional fees	2,378,517	5,207,445
Office expenses	123,399	110,015
Postage and courier	32,734	30,837
Printing and stationery	27,900	42,644
Property tax	38,638	20,596
Repairs and maintenance	169,788	193,192
Rental of office building	707,189	676,674
Ship management expenses	455,052	528,758
Subscription & membership fee	179,911	146,459
Staff salaries	2,806,156	3,260,456
Staff CPF	85,188	68,613
Staff medical and welfare expenses	396,939	396,421
Travelling expenses	416,993	592,297
<b>Finance costs</b>		
Interest on loans	4,625,357	5,490,292
Interest on bill discounting and trust receipt	37,751,996	30,909,640
Bank charges and commission	5,661,908	4,786,518
Finance charges	5,504	-
L/C charges	4,155,164	4,504,808
Other interest	802,905	3,035,710
<b>Other expenses</b>		
Bad debts expense	763,446	-
Depreciation of property, plant and equipment	564,368	575,392
Depreciation of investment property	77,008	80,608
Foreign currency exchange loss	-	131,249
Impairment loss of investment in subsidiary	9,000,000	-
Impairment loss on financial assets	52,827,060	-
Provision for doubtful debts	-	2,393
Write off of trade advances	-	1,399,389
	<u>133,032,659</u>	<u>66,164,979</u>

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