ADANI GLOBAL DMCC

Financial statements and reports

Year ended 31 March 2021

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ADANI GLOBAL DMCC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Directors have pleasure in submitting the financial statements of Adani Global DMCC (the "Company"), Jumeirah Lakes Towers, Dubai for the year ended 31 March 2021.

Turnover, profit and dividend

The turnover of the Company for the year ended 31 March 2021, amounted to AED 71,261,070 as compared to AED 430,779,398 in the previous year. The directors are confident of achieving growth, both in revenue and profitability in the coming years.

The profit for the year amounted to AED 222,533. The directors do not recommend any dividend for the year ended 31 March 2021.

Business activity

The Company's principal activity during the year was trading in coal, precious metals, solar energy systems and components, and agro products.

Events after the reporting date

There were no major events occurred after the reporting date which materially affect the financial statements for the year ended 31 March 2021.

Directors

The Directors of the Company as at 31 March 2021 were as follows:

Mr. Rakesh Shantilal Shah	Indian national
Mr. Pranav Sevanti Vora	American national
Mr. Vishwas Shah	Indian national

Independent auditor

PKF, Chartered Accountants, Dubai were appointed as independent auditor of the Company for the year ended 31 March 2021. A resolution to re-appoint them for the year ending 31 March 2022 will be proposed at the forthcoming annual general meeting.

For and on behalf of the Board of Directors of
ADANI GLOBAL DMCC

ADANI GLOBAL DMCC
P.O. Box: 17186
Jumeirah Lake Towers
Dubai - U.A.E.

PRANAV SEVANTI VORA
DIRECTOR
21 April 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of ADANI GLOBAL DMCC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ADANI GLOBAL DMCC** (the "Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the Directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

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

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PKF in the UAE is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member or correspondent firm or firms.
Auditor Registration No. S.D. Pereira - 552 , V.M.Joshi - 1200

INDEPENDENT AUDITOR'S REPORT
(continued)

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the applicable provision of the Dubai Multi Commodities Centre Authority Regulations 2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

Those charged with governance are responsible for 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITOR'S REPORT
(continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Report on Other Legal and Regulatory Requirements
We further confirm that the financial statements comply with the applicable provisions of Dubai Multi Commodities Centre DMCC Authority Regulations 2020. Also in our opinion, the Company has only undertaken the activities permitted under its license.

For **PKF**

S. D. Pereira
Partner
Registration No. 552
Dubai, United Arab Emirates
28 April 2021

ADANI GLOBAL DMCC

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 AED '000	2020 AED '000
ASSETS			
Non-current asset			
Property, plant and equipment	6	273	615
Current assets			
Loan to a third party	7	1,074	1,074
Trade and other receivables	8	18,149	172,514
Other current assets	9	203	1,162
Due from related parties	10	157,810	115,335
Cash and cash equivalents	11	2,112	2,831
		179,348	292,916
Total assets		179,621	293,531
EQUITY AND LIABILITIES			
Shareholder's equity funds			
Share capital	12	1,000	1,000
Retained earnings		5,617	5,395
		6,617	6,395
Non-current liability			
Provision for staff end-of-service benefits	13	622	703
Current liabilities			
Trade and other payables	14	171,956	286,268
Other current liabilities	15	426	165
		172,382	286,433
Total liabilities		173,004	287,136
Total equity and liabilities		179,621	293,531

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

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

Approved and authorised for issue by the directors on 21 April 2021 and signed on their behalf by Mr. Pranav Sevanti Vora.

For **ADANI GLOBAL DMCC**

ADANI GLOBAL DMCC
P.O. Box: 17186
Jumeirah Lake Towers
Dubai - U.A.E.

DIRECTOR

ADANI GLOBAL DMCC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 AED '000	2020 AED '000
Revenue	17	**71,261**	430,779
Purchases of inventory		**(70,875)**	(431,113)
Gross profit/ (loss)		**386**	(334)
Other operating income	18	**6,210**	6,566
Staff costs	19	**(4,581)**	(4,963)
Depreciation	6	**(344)**	(330)
Other operating expenses	20	**(1,408)**	(2,432)
Finance income	21	**54**	4,299
Finance costs	22	**(95)**	(262)
PROFIT FOR THE YEAR		**222**	2,544
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**222**	2,544

The accompanying notes form an integral part of these financial statements.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Retained earnings	Total
	AED '000	AED '000	AED '000
Balance at 1 April 2019	1,000	2,851	3,851
Total comprehensive income for the year	--	2,544	2,544
Balance at 31 March 2020	1,000	5,395	6,395
Total comprehensive income for the year	--	222	222
Balance at 31 March 2021	**1,000**	**5,617**	**6,617**

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

ADANI GLOBAL DMCC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 AED '000	2020 AED '000
Cash flows from operating activities		
Profit for the year	222	2,544
Adjustments for:		
Depreciation of property, plant and equipment	344	330
Profit on disposal of property, plant and equipment	--	(8)
(Reversals)/Impairment of advance to suppliers	(20)	283
Finance costs charged by a related party	46	11,916
Finance costs recharged to related parties	--	(16,206)
Interest income from loan to a third party	(54)	(9)
Other finance costs	49	262
Provision for end-of-service benefits	132	149
	719	(739)
Changes in:		
- Trade and other receivables	154,419	887,597
- Other current assets	979	(1,162)
- Trade and other payables	(114,312)	(533,553)
- Other current liabilities	261	(113)
Staff end-of service benefits paid	(213)	(15)
Cash generated from operations	41,853	352,015
Interest paid	(49)	(262)
Net cash from operating activities	41,804	351,753
Cash flow from investing activities		
Payments for addition to property, plant and equipment	(2)	(289)
Proceeds from disposal of property, plant and equipment	--	8
Loan to a third party	--	(1,074)
Payment to related parties (net)	(42,521)	(111,045)
Net cash used in investing activities	(42,523)	(112,400)
Cash flows from financing activities		
Payments to a related party	--	(325,403)
Net cash used in investing activities	--	(325,403)
Net decrease in cash and cash equivalents	(719)	(86,050)
Cash and cash equivalents at beginning of year	2,831	88,881
Cash and cash equivalents at end of the year (note 11)	2,112	2,831

The accompanying notes form an integral part of these financial statements.
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ADANI GLOBAL DMCC
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1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **ADANI GLOBAL DMCC** (the "Company") with license No. DMCC-30757 is registered as limited liability company in Dubai, United Arab Emirates, under the laws, rules and regulations issued by the Dubai Multi Commodities Centre Authority. The registered address is Unit No. 2704, Jumeirah Business Centre 5, Plot No.JLT-PH-W1A, Jumeirah Lake Towers, Dubai, United Arab Emirates. The Company was registered on 12 June 2017 and was formed by changing the legal status from a branch "Adani Global FZE (Branch)" to a DMCC company.

b) The Company is a wholly owned subsidiary of Adani Global FZE (the "parent company"), a company incorporated in Dubai under the regulations of Jabel Ali Free Zone Authority. The parent company is a wholly owned subsidiary of Adani Global Limited, a company incorporated in Mauritius. Adani Enterprises Limited, India, a public limited company is the "ultimate parent company".

c) The Company's business activity as per the trade license is trading in solar energy systems and components, refined oil products, coal & firewood, metal ores, scrap and waste, ghee and vegetable oil, jewelry, pearls and precious stones, non-manufactured precious metals and grains, cereals and legumes trading. However, Company's principal activity during the year was trading in coal, precious metals, solar energy systems and components and agro products.

2. BASIS OF PREPARATION

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 January 2020, and the requirements of the applicable provisions of Dubai Multi Commodities Centre Authority Regulations 2020.

b) **Basis of measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) **Going concern**

The financial statements are prepared on a going concern basis.

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

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The outbreak of COVID-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to COVID-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of management's assessment of the Company's ability to continue as a going concern. As the Company is principally engaged in trading of coal, precious metals, solar energy systems and components and agro products, a short-term impact may be experienced in Company's business activities and cash flows but there is no change in management's going concern assessment or business strategy. As at the date of the approval of this financial statement, management has determined that there is no material uncertainty that casts doubt on the Company's ability to continue as going concern.

As the impact of COVID-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the financial statements (see Note 5).

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

Standards, amendments, improvements and interpretations effective for the current year

The following amendments, improvements and interpretations which became effective 1 January 2020 or after, did not have any significant impact on the Company's financial statements:

- Amendments IFRS 3: Definition of a Business
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

New and revised IFRSs in issue but not yet effective and not early adopted

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

- Amendments to IFRS 9, IAS 39, IFRS 7, and IFRS 16 – Interest Rate Benchmark - Phase 2 (1 January 2021)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
- Amendments to IAS 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)

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e) **Functional and presentation currency**

The Company `s functional currency is US Dollar based on the fact that a significant portion of its sales and purchases are denominated and settled in that currency. However, the financial statements are presented in UAE Dirhams ("AED") which is the currency of the country of domicile of the Company and the amounts presented are rounded to the nearest thousand, unless otherwise stated.

3. **SIGNIFICANT ACCOUNTING POLICIES**

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

a) **Property, plant and equipment**

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

Office units	6 – 7 years
Office equipment	5 years
Vehicles	3 years

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

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

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

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

b) **Inventories**

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

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

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

d) **Revenue recognition**

The Company is in the business of trading in solar energy systems and components, non-manufactured precious metals and grains, cereals and legumes trading.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

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Sale of goods

Revenue from sale of goods is recognised at a point in time when the control of the goods is transferred to the customer, generally on delivery of the goods.

e) ***Rental income***

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

f) ***Interest income***

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

g) **Leases**

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

h) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and bank balance in current accounts.

i) **Foreign currency transactions**

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

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

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

j) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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 receivable can be measured reliably.

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k) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

l) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period. or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period. or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

m) **Financial instruments**

Classification

On initial recognition, a financial asset is classified and measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, 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 instrumental 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 cashflows, selling the financial assets, or both.

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Financial liabilities are classified as financial liabilities at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

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

Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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The financial assets at amortised cost comprise of trade and other receivables, due from related parties, loan to a third party and cash and cash equivalents.

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

Financial liabilities at amortised cost comprise of trade and other payables.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, other receivables amount due from related parties and loan from a third party for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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 supportive 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 limit assessment and including forward looking information.

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The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 360 days past due.

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost are 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 the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

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

Equity

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

n) **Fair value measurement**

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

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

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

Classification of financial assets

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.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Company determined that the sale of goods is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Carrying values of property, plant and equipment

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

Impairment

Assessments of net recoverable amounts of property, plant and equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

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Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(m).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 622,431 (previous year AED 702,552), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Impact of COVID-19

Since the COVID-19 outbreak is evolving rapidly, the Company continues to assess the impact of the outbreak on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy including the operations of the Company. However, the management concluded that there is no significant impact of COVID-19 on its operations due to nature of the Company's business activities.

6. PROPERTY, PLANT AND EQUIPMENT

	Office units [a] AED '000	Office equipment AED '000	Vehicles AED '000	Total AED '000
Cost				
At 1 April 2019	3,016	71	744	3,831
Additions	--	95	194	289
Transfer from a related party	--	--	45	45
Disposals	--	--	(45)	(45)
At 31 March 2020	3,016	166	938	4,120
Additions	--	2	--	2
At 31 March 2021	**3,016**	**168**	**938**	**4,122**
Accumulated depreciation				
At 1 April 2019	3,016	10	149	3,175
Depreciation for the year	--	22	308	330
Transfer from a related party	--	--	45	45
Disposals	--	--	(45)	(45)
At 31 March 2020	3,016	32	457	3,505
Depreciation for the year	--	35	309	344
At 31 March 2021	**3,016**	**67**	**766**	**3,849**
Carrying amount				
At 1 April 2019	--	61	595	656
At 31 March 2020	--	134	481	615
At 31 March 2021	--	**101**	**172**	**273**

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(a) Office units represent four office units in Jumeirah Business Center – 5, Dubai, with cost AED 3,015,880 (previous year AED 3,015,880) having carrying value AED Nil (previous year AED Nil).

7. LOAN TO A THIRD PARTY

The Company has given loan of AED 1,073,842 (previous year AED 1,073,842) to a third party. The loan is unsecured and repayable on demand along with interest. The loan is at interest rate of 5% per annum.

8. TRADE AND OTHER RECEIVABLES

	2021 AED '000	2020 AED '000
Trade receivables	17,963	172,217
Advances to staff	43	137
Other advances	--	25
Deposits	80	92
Accrued interest on loan to third party	63	9
Other receivables	--	34
	18,149	172,514

At the reporting date there were no overdue trade receivable balances (previous year, there were no overdue trade receivables balances).

The Company does not hold any collateral against the trade receivables (previous year AED Nil).

9. OTHER CURRENT ASSETS

Advances to suppliers	396	1,328
Less: Provision for impairment of advance to suppliers	(263)	(283)
	133	1,045
Prepayments	70	117
	203	1,162

A reconciliation of the movements in the provision for impairment of advances to suppliers is as follows:

Opening balance	283	--
Provision made during the year	--	283
Provision no longer required	(20)	--
Closing balance	263	283

10. RELATED PARTIES

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at arm's length price.

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Related parties comprise parent company, intermediate parent company, ultimate parent company, fellow subsidiaries, companies under common ownership and/or common management control and directors.

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

	Parent company	Fellow subsidiaries	Companies under common management control	Total 2021	Total 2020
	AED`000	AED '000	AED '000	AED '000	AED '000
Included in trade and other receivables	10,882	--	7,081	17,963	
	--	90,195	8,566		98,761
Included in trade payables	--	134,444	--	134,444	
	--	286,201	--		286,201
Due from related parties	--	157,810	--	157,810	
	5,235	110,100	--		115,335

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 23.

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

	Parent company	Fellow subsidiaries	Companies under common ownership and/or common management control	Total 2021	Total 2020
	AED`000	AED '000	AED '000	AED '000	AED '000
Sales	38,728	--	--	38,728	
	2,121	10,927	274,342		287,390
Purchases	--	158	--	158	
	59,651	333,115	--		392,766
Professional fees income	5,194	661	--	5,855	
	5,577	661	--		6,238
Finance costs charged by a related party	46	--	--	46	
	--	11,916	--		11,916
Finance costs recharged to related parties	--	--	--	--	
	4,290	7,910	4,006		16,206
Vehicle transferred	--	--	--	--	
	45	--	--		45

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The Company also provides funds to/receives funds from related parties free of interest/ at agreed interest rates as and when required.

		2021 AED '000	2020 AED '000
11.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	35	38
	Bank balances in current accounts	2,077	2,793
		2,112	2,831
12.	**SHARE CAPITAL**		
	Issued and paid up		
	1,000 fully paid shares of AED 1,000 each held by Adani Global FZE, Dubai, U.A.E.	1,000	1,000
13.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	703	569
	Provision for the year	132	149
	Paid during the year	(213)	(15)
	Closing balance	622	703
14.	**TRADE AND OTHER PAYABLES**		
	Trade payables	171,931	286,201
	Accruals	25	32
	Other payables	--	30
	Other advances	--	5
		171,956	286,268

The entire trade and other payables are due for settlement within one year from the reporting date.

15.	**OTHER CURRENT LIABILITIES**		
	Provision for staff benefits	358	111
	VAT Payable	68	54
		426	165

16. **MANAGEMENT OF CAPITAL**

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

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

The Company is subject to capital adequacy as per DMCC implementing regulations. The Company has complied with all the capital requirements to which it is subject.

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Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties are retained in the business, according to the business requirements and to maintain capital at desired levels.

17. REVENUE

The Company generates revenue from the transfer of goods at a point in time. The disaggregated revenue from contracts with customers by type of goods and timing of revenue recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2021 AED '000	2020 AED '000
Major goods/service lines		
Trading		
- Solar energy systems and components	94	336,204
- Coal	37,683	92,454
- Precious metals	32,440	--
- Agro products	1,044	2,121
	71,261	430,779
Timing of revenue recognition		
- At a point in time	71,261	430,779

18. OTHER OPERATING INCOME

Professional fees income	6,074	6,458
Rental income	71	100
Reversal of provision of impairment of advance to suppliers	20	--
Net exchange gains	45	--
Profit on disposal of property, plant and equipment	--	8
	6,210	6,566

19. STAFF COSTS

Staff salaries and benefits	4,449	4,814
Staff end-of-service benefits	132	149
	4,581	4,963

20. OTHER OPERATING EXPENSES

Professional, legal and registration fees	25	37
Short-term lease expenses	65	42
Provision on advance to suppliers	--	283
Repairs and maintenance expenses	294	168
Foreign exchange loss (net)	--	190
Other expenses	1,024	1,712
	1,408	2,432

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		2021 AED '000	2020 AED '000
21.	**FINANCE INCOME**		
	Interest from loan to a third party	54	9
	From related parties (note 22)	--	4,290
		54	4,299
22.	**FINANCE COSTS**		
	Finance costs charged by a related party	46	11,916
	Bank charges	49	262
		95	12,178
	Less: Recharged to related parties	--	(16,206)
		95	(4,028)
	Disclosed as:		
	Finance income (note 21)	--	4,290
	Finance costs	95	262

23. **FINANCIAL INSTRUMENTS**

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

	At amortised cost	
	2021 AED '000	2020 AED '000
Financial assets		
Loan to a third party	1,074	1,074
Trade and other receivables	18,149	172,514
Due from related parties	157,810	115,335
Cash and cash equivalents	2,112	2,831
	179,145	291,754
Financial liabilities		
Trade and other payables	171,956	286,268
	171,956	286,268

Management of risks

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

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

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

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The Company also buys and sells goods in foreign currencies. Exposure to foreign currency translation is minimised where possible by denominating such transactions in US Dollars to which the UAE is pegged.

Exposures to the aforementioned risks are detailed below:

Credit risks

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank balances, trade and other receivables, loan to a third party and due from related parties.

The Company's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables and amounts due from related parties taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Trade and other receivables and due from related parties are stated net of the allowance for doubtful recoveries in aggregate at AED 175,773,745 (previous AED 287,552,631). At the reporting date, 99% of such receivables were due from six parties situated in India, Australia and UAE and engaged in solar and coal trading business (previous year 98% of such receivables were due from six parties situated in India, Singapore, The United States of America and Australia engaged in solar and coal trading business).

Significant concentration of credit risk of trade receivables by industry are as follows:

	2021	2020
	AED`000	AED`000
Solar and its related components	**7,082**	116,075
Coal	**10,882**	56,142

Based on the assessment, the management believes that the impairment requirement under IFRS 9 does not have any significant impact on the financial statements.

Currency risk

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

Trade receivables

- Australian Dollars	--	226
- Euro	--	5

At the reporting date, if the above-mentioned currencies have been weaker or stronger against the Dirhams by 1%, profit for the year and equity would have been higher or lower by AED Nil (previous year AED 2,304).

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Interest rate risk

Loan to a third party and amounts due from related parties are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, loan to a third party, trade and other receivables, due from related parties and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

For **ADANI GLOBAL DMCC**

DIRECTOR

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