ADANI GLOBAL PTE. LTD.

(Registration number: 200003047N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ADANI GLOBAL PTE. LTD.

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FOR THE YEAR ENDED 31 MARCH 2023

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ADANI GLOBAL PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of **ADANI GLOBAL PTE. LTD.** (the "company") for the financial year ended 31 March 2023.

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 2023 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
Jagetiya Ashok (Appointed on 5 May 2022)
Janakaraj Jeyakumar
Nerurkar Hemant Madhusudan

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 1967.

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

.....
Ashok Jagetiya
Director

.....
Anand Sanjay
Director

Date: May 2, 2023

prudential public accounting corporation

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

Report on the audit of the financial statements

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 2023, 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 1967 (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 2023 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.

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.

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 PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

PRUDENTIAL PUBLIC ACCOUNTING CORPORATION * PUBLIC ACCOUNTANTS & CHARTERED ACCOUNTANTS

Date: 2 May 2023

ADANI GLOBAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 US$	2022 US$
ASSETS			
Non-current assets:			
Property, plant and equipment	(8)	**19,988,186**	20,590,823
Investment property	(9)	**3,636,967**	3,717,575
Right-of-use assets	(10)	**29,914**	209,386
Intangible assets	(11)	**90,783**	71,102
Investment in subsidiaries	(12)	**39,370,686**	34,359,686
Interest in joint venture	(13)	**25,000,001**	25,004,901
Other investment	(14)	**1,000,000**	-
Other receivables	(15)	**135,000,000**	137,000,000
Total non-current assets		**224,116,537**	220,953,473
Current assets:			
Trade and other receivables	(15)	**2,542,695,599**	2,403,032,556
Other current assets	(16)	**3,083,293**	4,387,841
Cash and cash equivalents	(17)	**152,253,509**	227,698,540
Derivative financial instruments	(18)	**259,500**	2,583,250
Total current assets		**2,698,291,901**	2,637,702,187
Total assets		**2,922,408,438**	2,858,655,660
EQUITY AND LIABILITIES			
Equity:			
Share capital	(19)	**27,600,000**	27,600,000
Merger reserve	(20)	**18,881,167**	18,881,167
Retained earnings		**1,444,523,429**	1,290,840,403
Total equity		**1,491,004,596**	1,337,321,570
Non-current liabilities:			
Borrowings – non-current	(21)	**92,061,027**	108,515,578
Lease liability – non-current	(22)	**-**	31,560
Total non-current liabilities		**92,061,027**	108,547,138
Current liabilities:			
Borrowings – current	(21)	**152,849,188**	390,075,378
Lease liability – current	(22)	**29,769**	186,036
Trade and other payables	(23)	**1,178,332,888**	1,016,789,635
Income tax payables	(28)	**8,130,970**	5,735,903
Total current liabilities		**1,339,342,815**	1,412,786,952
Total liabilities		**1,431,403,842**	1,521,334,090
Total equity and liabilities		**2,922,408,438**	2,858,655,660

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 2023

	Note	2023 US$	2022 US$
Revenue	(24)	**6,319,231,051**	4,169,297,184
Cost of goods sold		**(6,103,634,874)**	(4,021,960,610)
Gross profit		**215,596,177**	147,336,574
Other income	(25)	**35,674,297**	16,567,390
Marketing and distribution expenses		**(1,195,143)**	(1,805,782)
Administrative expenses		**(17,999,986)**	(13,643,023)
Finance costs	(26)	**(50,366,844)**	(24,043,159)
Other expenses		**(1,509,206)**	(9,624,521)
Impairment of financial assets	(27)	**(20,839,268)**	-
Profit before income tax		**159,360,027**	114,787,479
Income tax expense	(28)	**(5,677,001)**	(5,748,622)
Profit for the year	(29)	**153,683,026**	109,038,857
Other comprehensive income		**-**	-
Total comprehensive income for the year		**153,683,026**	109,038,857

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 2023

	Share Capital US$	Merger Reserve US$	Retained Earnings US$	Total US$
Balance as at 1 April 2021	27,600,000	18,881,167	1,181,801,546	1,228,282,713
Total comprehensive income for the year	-	-	109,038,857	109,038,857
Balance as at 31 March 2022	27,600,000	18,881,167	1,290,840,403	1,337,321,570
Total comprehensive income for the year	-	-	153,683,026	153,683,026
Balance as at 31 March 2023	27,600,000	18,881,167	1,444,523,429	1,491,004,596

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 2023

		2023 US$	2022 US$
Cash flow from operating activities:			
Profit before income tax		**159,360,027**	114,787,479
Adjustments for:			
Amortisation of intangible assets	(11)	**27,069**	12,978
Bad debts - trade		**399,837**	2,239,860
Depreciation of plant and equipment	(8)	**686,957**	806,469
Depreciation of investment properties	(9)	**80,608**	75,388
Depreciation of right-of-use assets	(10)	**179,472**	325,966
Dividend income		**(25,000,000)**	-
Foreign currency exchange difference		**236,045**	(130,917)
Gain on disposal of investment		**-**	(8,246,000)
Impairment loss/ (reversal of impairment) on financial assets		**20,839,268**	(386,469)
(Reversal of impairment)/ Impairment loss on investment in subsidiary		**(5,000,000)**	5,000,000
Interest expense		**50,362,969**	24,035,094
Interest income		**(4,268,717)**	(420,118)
Interest on lease liabilities		**3,875**	8,065
Loss on disposal of property, plant and equipment		**-**	12,710
Operating cash flows before working capital changes		**197,907,410**	138,120,505
Trade and other receivables		**(88,017,241)**	(504,630,331)
Other current assets		**1,304,548**	(2,429,475)
Derivative financial instruments		**2,323,750**	(2,714,050)
Trade and other payables		**185,772,045**	544,468,777
Cash generated from operations		**299,290,512**	172,815,426
Income tax paid	(26)	**(3,281,934)**	(2,790,616)
Net cash generated from operating activities		**296,008,578**	170,024,810
Investing activities:			
Acquisition of subsidiaries		**(6,100)**	(348,835)
Acquisition of property, plant and equipment	(8)	**(84,320)**	(18,410,329)
Fixed deposits		**(7,093,151)**	(4,214,927)
Increase in net amount due from related parties		**(69,670,656)**	(4,680,500)
Interest received		**2,993,523**	12,348,181
Other investment		**(1,000,000)**	-
Proceeds from disposal of joint venture		**-**	12,046,000
Purchase of intangible assets	(11)	**(46,750)**	(84,080)
Net cash used in investing activities		**(74,907,454)**	(3,344,490)

ADANI GLOBAL PTE. LTD.

STATEMENT OF CASH FLOWS – cont'd

FOR THE YEAR ENDED 31 MARCH 2023

		2023 US$	2022 US$
Financing activities:			
Interest paid		**(49,530,818)**	(24,296,554)
Payment of principal portion of lease	(33)	**(188,461)**	(343,845)
Payment of interest portion of lease	(33)	**(3,875)**	(8,065)
Proceeds from borrowings	(33)	**2,786,507,539**	2,201,515,535
Repayment of borrowings	(33)	**(3,040,423,691)**	(2,220,911,024)
Net cash used in financing activities		**(303,639,306)**	(44,043,953)
Net (decrease)/ increase in cash and cash equivalents		**(82,538,182)**	122,636,367
Cash and cash equivalents at beginning of year		**144,780,518**	22,144,151
Cash and cash equivalents at end of year		**62,242,336**	144,780,518

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 2023

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:

3 Anson Road
#22-01 Springleaf Tower
Singapore 079909

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 2023 were authorised for issue by the Board of Directors on 2 May 2023.

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.

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 2022. The adoption of these new and 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.

(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:

Reference	Description	Effective date (annual periods) beginning on or after
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	01-Jan-23
FRS 1	Amendments to FRS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	01-Jan-24
Various	Amendments to FRS 1: Non-Current Liabilities with Covenants	01-Jan-24
FRS 8	Amendments to FRS 8: Accounting Policies, Changes in Accounting Estimates and Errors - Definition Accounting Estimates	01-Jan-23
FRS 116	Amendments to FRS 116: Lease Liability in a Sales and Leaseback	01-Jan-24

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

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

2.3. Functional and Foreign Currency – cont'd

(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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period 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 properties	60 years
Motor vehicle	3 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.

(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.

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

(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.

(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.

ADANI GLOBAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

2.6. Intangible Asset

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful from the point at which at asset is ready for use.

Amortisation is calculated in the straight-line method to write off the cost of intangible assets, over their estimated useful lives of 3 years.

Intangible asset refers to capitalisation of costs relating to development of software.

2.7. 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 proceeds 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, which produces the consolidated financial statements which are available for public use.

2.8. 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.

2.9. 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.

ADANI GLOBAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.10. 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.

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.

2.11. Revenue Recognition

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.

Revenue from sales of commodities, capital goods and scrap metal

Revenue from sales of commodities, capital goods and scrap metal are recognised when the company transfers control of the goods, being when the goods have been shipped to the customer's specific location. Control of goods transfers upon shipment to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. A receivable is recognised by the company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

The amount of revenue recognised is based on the transaction price which comprises the contractual price and rebates and trade discounts.

ADANI GLOBAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

2.11. Revenue Recognition – cont'd

Charter hire income

Revenue from charter hire is recognised over time as the company satisfies its performance obligation. Charter hire income is recognised on a daily basis in accordance to the terms and conditions of the charter agreement.

2.12. 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 recognised on a time proportionate basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company.

(c) Rental income

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

(d) Dividend income

Dividend income is recognised when the right to receive the dividend is established.

2.13. Employee Benefits

(a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(b) 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.

2.14. 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

2.15. Operating Leases

As lessee

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is considered to exist if the company has both the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset.

At lease commencement date, the company recognises a right-of-use assets and a lease liability on the statement of financial position.

Right-of-Use Assets

The right-of-use assets are measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life (which is determined on the same basis as those of plant and equipment).

The company also assesses the right-of-use assets for impairment when such indicators exist. In addition, the right-of-use assets are periodically adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate, being the rate, it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liabilities are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, lease payments arising from extension options reasonably certain to be exercised, exercise price under purchase option reasonably certain to be exercised and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured, the corresponding adjustment is reflected in the right-of-use assets, or profit and loss if the carrying amount of the right-of-use assets has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

2.15. Operating Leases – cont'd

As lessee – cont'd

Lease liabilities – cont'd

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of office equipment with individual values not exceeding US$10,000.

As 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.

2.16. 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 or substantively enacted in country where the company operates at the end of reporting period.

(b) Deferred tax

Deferred tax is provided, using the 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

2.16. Income Taxes – cont'd

(b) Deferred tax – cont'd

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

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

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

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 receivable 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.

2.17. 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.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

2.17. Related Parties – cont'd

(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;
(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.

2.18. 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.

2.19. 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.19. Contingent Liabilities and Contingent Assets – cont'd

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

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

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

2.20. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when and only 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 a financial asset is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

a) Classification and subsequent measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, as measured at amortised cost or fair value through profit or loss (FVTPL).

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

a) Classification and subsequent measurement – cont'd

Initial recognition and measurement – cont'd

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 a financial 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.

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 profit or loss statement.

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

b) Impairment of financial assets

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.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

b) Impairment of financial assets – cont'd

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.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 effect interest rate.

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Equity Instrument and Financial Liabilities – cont'd

(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 instant. The measurement of financial liabilities depends on their classification as either "financial liabilities at amortised costs" or financial liabilities "at fair value through profit or loss" (FVTPL).

(i) Financial liabilities at amortised cost

The company determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received net of transaction costs.

After initial recognition, they are subsequently measured at amortised cost using the effective interest 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 consist of trade and other payables, borrowings and lease liabilities.

(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.

3.3. Derivative Financial Instruments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.3. Derivative Financial Instruments – cont'd

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 are 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 28 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.

(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.

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 – cont'd

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 24 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 property

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 property are disclosed in Note 8 and Note 9 to the financial statements.

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

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

(c) Impairment of investment in subsidiaries

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

The carrying amounts of investment in subsidiaries are disclosed in Note 12 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

4.2 Key Sources of Estimation Uncertainties– cont'd

(d) Calculation of loss allowance

(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 15.

(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 15 to the financial statements.

(e) Determining the lease term

As explained in Note 2.15, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the company, the company evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the company to exercise the option, including favourable terms leasehold improvements undertaken and the importance of that underlying asset to the company's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the company's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(f) Estimation of incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the company "would have paid", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain lease period specific estimates.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

4.2 Key Sources of Estimation Uncertainties– cont'd

(g) Provisions

Provisions are recognised in accordance with the accounting policy in Note 2.17. 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.

(h) 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 RISK 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:

	2023 US$	**2022 US$**
Financial assets:		
At amortised costs:		
- Trade and other receivables	**2,677,543,293**	2,402,881,742
- Cash and cash equivalents	**152,253,509**	227,698,540
Fair value through profit or loss:		
- Other investment	**1,000,000**	-
- Derivative financial instruments	**259,500**	2,583,250
	2,831,056,302	2,633,163,532
Financial liabilities:		
At amortised costs:		
- Trade and other payables	**1,178,332,888**	1,016,789,635
- Borrowings	**244,910,215**	498,590,956
- Lease liability	**29,769**	217,596
	1,423,272,872	1,515,598,187

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

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

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

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

(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 and other 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.

The company extends its credit terms to certain customers beyond the sales contract as a regular business practice. Under the credit policy the board approves a 'maximum' credit period that can be extended to any particular party. Normally the credit period under the contract for each trade is negotiated to be lower than board's approved 'maximum' credit period.

Risk management practices

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. 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. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. **FINANCIAL INSTRUMENTS, FINANCIAL RISK 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

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 and
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Default event

The company considers the following as constituting an event of default when:

- The borrower fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate; or
- Internal or external information indicates that the borrower 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).

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.

5. **FINANCIAL INSTRUMENTS, FINANCIAL RISK 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.

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

Category	**Definition of category**	**Basis for recognising expected credit loss (ECL)**
I - Performing	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 – Under performing	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 – Default	Amount is > 90 days past due to or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit impaired
IV – Write off	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.

Simplified approach

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 15.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. **FINANCIAL INSTRUMENTS, FINANCIAL RISK 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

Expected credit loss assessment – cont'd

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

- *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 15.

- *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.

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 17 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

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

(b) Market risk – cont'd

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 100 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 100 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$5,961,207** (2022: US$4,455,170).

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.

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

	2023 **US$**	**2022** **US$**
Singapore dollar exposure:		
Financial assets and liabilities:		
Trade and other receivables	**1,833,889**	1,825,452
Cash and cash equivalents	**73,392**	184,756
Trade and other payables	**118,696**	76,851
Borrowings	**(13,207,882)**	(13,446,571)
Lease liabilities	**(29,769)**	(217,596)
Net foreign currency exposure	**(11,211,674)**	(11,577,108)

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. **FINANCIAL INSTRUMENTS, FINANCIAL RISK 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

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:

	2023 **US$**	**2022** **US$**
Strengthen 10% (2022: 10%) - S$/US$	**1,121,167**	1,157,711

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.

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

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

(c) Liquidity risk – cont'd

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 62% (2022: 80%) 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 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.

			Contractual undiscounted cash flows			
2023	**Effective interest rate p.a. %**	**Carrying amount US$**	**One year or less US$**	**Two to five years US$**	**Over five years US$**	**Total US$**
Non-derivative Financial liabilities:						
Trade and other payables	**-**	**1,178,332,888**	**1,178,332,888**	**-**	**-**	**1,178,332,888**
Borrowings	Note 21	**244,910,215**	**158,401,208**	**86,821,355**	**11,916,774**	**257,139,337**
Lease liability	3.05	**29,769**	**29,883**	**-**	**-**	**29,883**
Total undiscounted financial liabilities		**1,423,272,872**	**1,336,763,979**	**86,821,355**	**11,916,774**	**1,435,502,108**

			Contractual undiscounted cash flows			
2022	**Effective interest rate p.a. %**	**Carrying amount US$**	**One year or less US$**	**Two to five years US$**	**Over five years US$**	**Total US$**
Non-derivative Financial liabilities:						
Trade and other payables	**-**	1,016,789,635	1,016,789,635	-	-	1,016,789,635
Borrowings	Note 21	498,590,956	392,401,469	110,306,899	12,344,532	515,052,900
Lease liability	3.05	217,596	190,083	31,680	-	221,763
Total undiscounted financial liabilities		1,515,598,187	1,409,381,187	110,338,579	12,344,532	1,532,064,298

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 assets and liabilities

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

(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, borrowings and lease liability 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.

	Fair Value Assets/ (Liabilities)					
Financial Assets / Financial (Liabilities)	**2023 US$**	**2022 US$**	**Fair Value Hierarchy**	**Valuation Technique and Key Impact**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
- Unquoted equity securities (Note 14)	**1,000,000**	-	Level 3	Fair value is estimated using the price or discounted cash flow obtained from management as at the end of the reporting period.	Discount for lack of marketability determined by reference to the share price of listed entities in similar industries.	A significant increase in the discount of lack of marketability would result in a significant decrease in fair value.
- Derivative financial instruments (Note 18)	**259,500**	2,583,250	Level 2	Inputs other than quoted prices included within Level 1.	N.A.	N.A.

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 assets and liabilities – 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 2023, 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, lease liability 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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

5.3. Capital Management – cont'd

	2023 US$	2022 US$
Trade and other payables	**1,178,332,888**	1,016,789,635
Borrowings	**244,910,215**	498,590,956
Lease liability	**29,769**	217,596
Less: Cash and cash equivalents	**(152,253,509)**	(227,698,540)
Net debt	**1,271,019,363**	1,287,899,647
Total equity	**1,491,004,596**	1,337,321,570
Total capital	**2,762,023,959**	2,625,221,217
Gearing ratio	**46%**	49%

The capital structure of the company's mainly consists of equity and debt and the company's overall strategy remains unchanged from 31 March 2022.

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 21).

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. **RELATED PARTY TRANSACTIONS – cont'd**

(a) Significant related party transactions:

	2023 US$	2022 US$
Sales to:		
- ultimate holding company	**2,089,783,603**	1,046,854,738
- subsidiaries	**40,813,011**	61,463,741
- related companies	**1,439,967,237**	535,972,839
Purchases from:		
- subsidiary	**82,500,223**	-
- related companies	**309,667,885**	466,116,934
Freight and other charges charged by/ (charged to):		
- subsidiary	**423,991,225**	402,710,407
- related companies	**(737,034)**	184,956
Interest income from:		
- joint venture	**-**	9,228
- related companies	**1,628,448**	-
Dividend received from a subsidiary	**25,000,000**	-
Professional fees charged by:		
- subsidiary	**1,068,362**	-
- related company	**2,222,658**	1,281,674
Interest charged by related companies	**5,625,847**	546,000
Recovery of expenses from/ (by):		
- subsidiaries	**21,396**	24,181
- joint venture	**162,524**	165,661
- related companies	**(1,925,898)**	218,140
Sale of investment to a related company	**-**	12,046,000

(b) Key management personnel compensation:

	2023 US$	2022 US$
Short-term employee benefits paid to directors	**4,085,449**	3,772,599

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. **PROPERTY, PLANT AND EQUIPMENT**

	Computer & Office Equipment	Furniture & Fittings	Motor Vehicle	Barges	Leasehold Property	Total
	US$	US$	US$	US$	US$	US$
Cost						
At 1.4.2021	648,103	730,501	287,945	4,600,000	2,592,802	8,859,351
Additions	68,931	281,995	-	-	18,059,403	18,410,329
Disposal	(333,036)	(613,605)	-	-	-	(946,641)
Transfer	-	-	-	-	(2,592,802)	(2,592,802)
At 31.3.2022	383,998	398,891	287,945	4,600,000	18,059,403	23,730,237
Additions	35,917	14,136	-	34,267	-	84,320
At 31.3.2023	**419,915**	**413,027**	**287,945**	**4,634,267**	**18,059,403**	**23,814,557**
Accumulated depreciation						
At 1.4.2021	574,784	674,052	171,542	1,851,718	550,235	3,822,331
Charge for the year	71,216	118,898	96,001	218,500	301,854	806,469
Disposal	(332,181)	(601,750)	-	-	-	(933,931)
Transfer	-	-	-	-	(555,455)	(555,455)
At 31.3.2022	313,819	191,200	267,543	2,070,218	296,634	3,139,414
Charge for the year	42,193	103,717	20,402	219,053	301,592	686,957
At 31.3.2023	**356,012**	**294,917**	**287,945**	**2,289,271**	**598,226**	**3,826,371**
Net carrying amount						
At 31.3.2022	70,179	207,691	20,402	2,529,782	17,762,769	20,590,823
At 31.3.2023	**63,903**	**118,110**	**-**	**2,344,996**	**17,461,177**	**19,988,186**

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

As at 31 March 2023, the residual values (estimated scrap value at the end of the barges' useful lives) of the barges were estimated at US$212,500 (2022: US$212,500).

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 (2022: 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.

At the end of the reporting period, 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**

	Leasehold Properties US$
Cost	
At 01.04.2021	2,234,050
Transfer	2,592,802
At 31.3.2022 and 31.3.2023	**4,826,852**
Accumulated depreciation	
At 01.04.2021	478,434
Charged for the year	75,388
Transfer	555,455
At 31.3.2022	1,109,277
Charge for the year	80,608
At 31.3.2023	**1,189,885**
Net carrying amount	
At 31.3.2022	3,717,575
At 31.3.2023	**3,636,967**

Details of investment properties are as follows:

	2023		2022	
	Carrying Amount US$	Fair Value US$	Carrying Amount US$	Fair Value US$
Leasehold properties	**3,636,967**	**5,818,065**	3,717,575	5,871,320

Leasehold properties are leased to third parties under operating lease during the financial year.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

9. **INVESTMENT PROPERTIES – cont'd**

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

	2023 US$	2022 US$
Rental income	**182,346**	192,510
Direct operating expenses arising from investing property:		
Property tax	**(18,106)**	(16,204)
Depreciation	**(80,608)**	(75,388)

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.

At the end of the reporting period, 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. **RIGHT-OF-USE ASSET**

	Building US$	Total US$
Cost		
At 1.4.2021	1,356,955	1,356,955
Additions	358,949	358,949
Disposal	(1,356,955)	(1,356,955)
At 31.3.2022 and 31.3.2023	**358,949**	**358,949**
Accumulated depreciation		
At 1.4.2021	1,180,552	1,180,552
Charge for the year	325,966	325,966
Disposal	(1,356,955)	(1,356,955)
At 31.3.2022	149,563	149,563
Charge for the year	179,472	179,472
At 31.3.2023	**329,035**	**329,035**
Carrying amount		
At 31.3.2022	209,386	209,386
At 31.3.2023	**29,914**	**29,914**

The company leases residential property for a director with a lease term of 2 years.

During the year, the company carried out a review of the recoverable amount of all right-of-use asset and concluded no allowance for impairment is required.

11. INTANGIBLE ASSETS

	Computer Software S$	Software Under Development S$	Total S$
Cost			
At 1.4.2021	-	-	-
Additions	78,080	6,000	84,080
At 31.03.2022	78,080	6,000	84,080
Additions	46,750	-	46,750
Transfer	6,000	(6,000)	(6,000)
At 31.03.2023	**130,830**	**-**	**124,830**
Accumulated amortisation			
At 1.4.2021 and 31.3.2022	-	-	-
Charged for the year	12,978	-	12,978
At 31.3.2022	12,978	-	12,978
Charged for the year	27,069	-	27,069
At 31.03.2023	**40,047**	**-**	**47,047**
Carrying amount			
At 31.03.2022	65,102	6,000	71,102
At 31.03.2023	**90,783**	**-**	**90,783**

At the end of the reporting period, the company carried out a review of the recoverable amount of intangible assets. As a result, there were no allowances for impairment or revisions to the useful lives required for intangible assets.

12. INVESTMENT IN SUBSIDIARIES

	2023 US$	2022 US$
Unquoted equity investments at cost		
At beginning of financial year	**48,359,686**	48,010,851
Additions	**6,100**	348,835
Transfer from investment in joint venture (Note 13)	**4,900**	-
At end of financial year	**48,370,686**	48,359,686
Less: Impairment	**(9,000,000)**	(14,000,000)
	39,370,686	34,359,686

12. **INVESTMENT IN SUBSIDIARIES**

Details of the subsidiaries are as follows:

Name of the subsidiary	Principal activities	Country of incorporation and place of business	Equity holding 2023 %	Equity holding 2022 %
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 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	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 Holdings 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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

12. **INVESTMENT IN SUBSIDIARIES – cont'd**

Details of the subsidiaries are as follows:

Name of the subsidiary	Principal activities	Country of incorporation and place of business	Equity holding 2023 %	Equity holding 2022 %
Adani Australia Pty Ltd	Management service provider for projects	Australia	**100**	100
NW Rail Operation Pte Ltd	Rail operation	Singapore	**100**	100
Adani Global (Switzerland) LLC	Wholesale trade of coal, bunker fuel, metals and renewable power generating equipment	Switzerland	**100**	100
Bowen Rail Operation Pte Ltd	Acting as holding company	Singapore	**100**	100
Seafront Segregated Portfolio	Insurance business	Cayman Islands	**100**	100
Adani Global Vietnam Company Limited	Market research and management consultancy services	Vietnam	**100**	-
Adani Solar USA Inc.	Development of renewable energy projects	United States	**100**	-

During the year,

1) the company incorporated a 100% owned subsidiary, Adani Global Vietnam Company Limited in Vietnam for an equity contribution of US$1,000.

2) the company acquired additional 5,100 ordinary shares in Adani Solar USA Inc. for a total consideration of US$5,100.

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 Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India.

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

12. **INVESTMENT IN SUBSIDIARIES – cont'd**

As a result of the review, management has reversed the impairment of investment in PT Adani Global by US$5,000,000 for the financial year ended 31 March 2023.

13. **INTEREST IN JOINT VENTURES**

	2023 US$	2022 US$
Unquoted equity investments at cost		
At beginning of financial year	**25,004,901**	28,804,901
Disposal	**-**	(3,800,000)
Transfer to investment in subsidiaries (Note 12)	**(4,900)**	-
At end of financial year	**25,000,001**	25,004,901

Details of the joint ventures are as follows:

Name of the joint venture	Principal activities	Country of incorporation and place of business	Equity holding	
			2023 %	2022 %
Adani Solar USA Inc.	Development of renewable energy projects	United States	**-**	49
Adani Total LNG Singapore Pte Ltd	Wholesale of solid, liquid and gaseous fuels and related products	Singapore	**50**	50

As stated in Note 12 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.

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.

14. **OTHER INVESTMENT**

	2023 US$	2022 US$
Unquoted equity investment at fair value through profit or loss		
At beginning of financial year	**-**	-
Addition	**1,000,000**	-
At end of financial year	**1,000,000**	-

15. TRADE AND OTHER RECEIVABLES

	2023 US$	2022 US$
Non-current		
Convertible notes from a subsidiary (Note 12)	**135,000,000**	135,000,000
Loan to third party	**-**	2,000,000
	135,000,000	137,000,000
Current		
Trade receivables:		
- joint venture	**13,849**	131,147
- ultimate holding company (Note 6)	**585,228,845**	484,316,477
- related companies (Note 7)	**356,864,774**	158,089,125
- subsidiary (Note 12)	**3,132,051**	14,029,306
- third parties	**457,214,644**	676,923,482
	1,402,454,163	1,333,489,537
Less: allowance for impairment	**(3,041,635)**	(2,202,367)
	1,399,412,528	1,331,287,170
Other receivables:		
Trade advances to:		
- related companies (Note 7)	**31,823,527**	54,529,996
- subsidiaries (Note 12)	**241,934,334**	200,051,687
- third parties	**7,029,276**	3,609,832
GST receivables	**152,306**	150,814
Loan to directors	**80,255**	1,314,233
Loan to employees	**39,816**	91,455
Interest receivables	**1,439,215**	164,021
Commodity margin money	**5,350,250**	8,104,141
Other receivables – third parties	**34,793**	564
Loans to:		
- related companies (Note 7)	**100,688,618**	100,496,951
- subsidiaries (Note 12)	**823,543,411**	733,116,922
- joint ventures (Note 13)	**-**	20,947,500
Less: allowance for impairment	**(70,832,730)**	(50,832,730)
- third party	**2,000,000**	-
	2,542,695,599	2,403,032,556
Total trade and other receivables	**2,677,695,599**	2,540,032,556

(a) Trade receivables

Trade receivables are non-interest bearing and the credit periods are within 30 to 360 days' (2022: 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 expected credit losses.

The company has significant concentration of credit risk with three counter parties (2022: one counter party) contributing approximately 89% (2022: 36%) of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

15. **TRADE AND OTHER RECEIVABLES – cont'd**

(b) Trade receivables that are discounted

Included in trade receivables, a sum of US$46,183,946 (2022: US$225,890,505), 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.

(c) Other receivables

The company subscribed to convertible notes from a subsidiary. Convertible notes from a subsidiary ("issuer") are unsecured, interest bearing at 10% per annum and are redeemable on 30 June 2031. The company may at any time upon giving at least 5 business days' notice to the issuer, convert some or all of the notes into fully paid ordinary shares in accordance to the note conversion terms and conditions

Interest only accrues and the issuer is only obliged to pay interest to the extent that:

i) there is sufficient cash available to the issuer as at the last day of the interest period; and
ii) the issuer in its absolute discretion resolved to pay interest.

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 customers.

Loans to subsidiaries, related parties and joint ventures are unsecured, interest-free and are repayable on demand, except for the following: Loan to a joint venture is interest bearing at 2% per annum above LIBOR in 2022 and a loan to a material subsidiary is not expected to be repaid in the next 12 months. 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.

In current financial year, the company recognised additional impairment loss of US$20,000,000 on the loans to subsidiaries.

In prior years, the company recognised impairment loss of US$50,832,730 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 company advanced a loan to third party for US$2,000,000 which is due and payable by 30 November 2023. The company has the right to convert the loan to shares and an option to invest in the borrower's company. The loan is unsecured, interest bearing at 12% (2022: 12%) per annum and repayable over the duration of the loan.

Amount due from directors is interest free, unsecured and is repayable on demand (2022: repayable within 48 months from the date of agreement).

15. **TRADE AND OTHER RECEIVABLES – cont'd**

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

	2023 US$	2022 US$
Trade receivables – gross amounts		
Not past due	**1,381,125,599**	1,324,693,891
< 30 days	**1,717,125**	2,723,345
31 to 60 days	**388,974**	342
61 to 90 days	**10,489,680**	10,852
> 90 days	**8,732,785**	6,061,107
	1,402,454,163	1,333,489,537

For the above balances, an allowance for expected credit losses of US$839,268 (2022: reversal of allowance for expected credit losses of US$386,469) 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:

	2023 US$	2022 US$
At beginning of the year	**2,202,367**	2,588,836
Allowance made/ (reversal of allowance) during the year	**839,268**	(386,469)
At end of the year	**3,041,635**	2,202,367

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, unless otherwise stated in this report.

For purpose of impairment assessment, amounts due from the subsidiaries of ultimate holding company are considered to have low credit risk as the timing for payment is controlled by the ultimate holding company taking into account cash flow management within the group of companies. Hence no allowance for impairment of other receivables is necessary as there were no recent history of default in respect of these debtors.

Trade and other receivables are denominated in following currencies:

	2023 US$	2022 US$
British pound	**-**	1,133
Singapore dollar	**1,986,195**	1,825,452
Swiss franc	**-**	13,463
United States dollar	**2,675,709,404**	2,538,192,508
	2,677,695,599	2,540,032,556

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

16. **OTHER CURRENT ASSETS**

	2023 US$	2022 US$
Deposits	**187,291**	599,700
Prepayments	**2,895,772**	3,788,141
	3,083,293	4,387,841

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.

17. **CASH AND CASH EQUIVALENTS**

	2023 US$	2022 US$
Bank balances	**27,779,095**	14,427,960
Fixed deposits	**124,474,414**	213,270,580
	152,253,509	227,698,540
Less:		
Restricted deposits	**(90,011,173)**	(82,918,022)
Cash and cash equivalents as per the statement of cash flows	**62,242,336**	144,780,518

Cash and cash equivalents comprise cash at banks held by the company and short-term bank deposits. Cash and cash equivalents are classified and accounted as measured at amortised cost under FRS 109.

Fixed deposits of the company bear interest ranging from 1.10% to 5.27% (2022: 0.25% to 1.25%) with a tenure of 7 days to 367 days (2022: 31 days to 368 days).

Restricted deposits include margin money deposits held with the banks to operate letters of credit with the banks and those of fixed deposit balances with the maturity period of 90 days and above. 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:

	2023 US$	2022 US$
Singapore dollar	**73,392**	184,756
United States dollar	**152,180,117**	227,513,784
	152,253,509	227,698,540

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

18. **DERIVATIVE FINANCIAL INSTRUMENTS**

2023	**Contractual Notional value US$**	**Assets/ (Liabilities) US$**
Commodity swaps		
Purchases	**10,202,250**	**(1,929,750)**
Sales	**10,461,750**	**2,189,250**
Net position		**259,500**
2022		
Commodity swaps		
Purchases	20,679,600	9,711,150
Sales	73,137,850	(7,127,900)
Net position		2,583,250

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 financial institutions as at end of reporting period. The company does not designate its derivative contract as hedging instrument and the fair value loss of US$2,323,750 (2022: gain of US$2,714,050) for completed contracts has been recognised in the statement of comprehensive income.

Derivative financial instruments are denominated in United States dollar.

19. **SHARE CAPITAL**

	2023	**2022**	**2023**	**2022**
	Number of ordinary shares		**US$**	**US$**
Issued and paid up				
Ordinary shares	**43,117,530**	43,117,530	**27,600,000**	27,600,000

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

20. **RESERVE**

	2023	**2022**
	US$	**US$**
Merger reserve	**18,881,167**	18,881,167

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.

ADANI GLOBAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUE

21. **BORROWINGS**

	2023 US$	2022 US$
Term loans	**75,000,000**	75,000,000
Loan from a related party	**10,550,854**	-
Working capital loans	**146,151,479**	410,144,385
Commercial property loan	**13,207,882**	13,446,571
	244,910,215	498,590,956
Term loans		
Term loan i – non-financial institution	**25,000,000**	25,000,000
Term loan ii – non-financial institution	**50,000,000**	50,000,000
Total term loans – non-current	**75,000,000**	75,000,000
Working capital loans		
Trust receipts	**77,751,233**	121,002,882
Trade bills discounting	**46,183,946**	225,890,505
Coal swap loan	**-**	9,167,051
Coal advance sale and purchase transaction loan (i)	**9,166,667**	27,500,000
Coal advance sale and purchase transaction loan (ii)	**13,049,633**	26,583,947
Total working capital loans	**146,151,479**	410,144,385
Less: Current portion		
Working capital loans	**(141,801,601)**	(389,593,832)
Total non-current portion	**4,349,878**	20,550,553
Commercial property loan	**13,207,882**	13,446,571
Less: Current portion		
Commercial property loan	**(496,733)**	(481,546)
Total non-current portion	**12,711,149**	12,965,025
Represented as:		
Current portion:		
Loan from a related party	**10,550,854**	-
Working capital loans	**141,801,601**	389,593,832
Commercial property loan	**496,733**	481,546
	152,849,188	390,075,378
Non-current portion:		
Term loans	**75,000,000**	75,000,000
Working capital loans	**4,349,878**	20,550,553
Commercial property loan	**12,711,149**	12,965,025
	92,061,027	108,515,578
Total borrowings	**244,910,215**	498,590,956

21. **BORROWINGS – cont'd**

Term loans

a) Term loan i

The company obtained a long-term unsecured loan availed from a private establishment, which bore interest rate at 6% per annum and repayable on 12 October 2020. However, on 6 April 2020 the company entered into a loan roll over agreement with the lender to repay the loan on 12 October 2025. The loan bears interest rate at 3% per annum for the period from 12 October 2020 to 11 October 2023 and bears interest at 6% per annum from 12 October 2023 to 12 October 2025.

b) Term loan ii

The company obtained a long-term unsecured loan availed from a private establishment, which bore interest rate of 6 % per annum and repayable on 22 January 2020. However, on 22 January 2020 the company entered into a loan extension agreement with the lender to repay the loan on 22 January 2025. The loan bears interest rate at 3% per annum till 11 January 2023 and bears interest at 6% per annum from 12 January 2023 to 12 January 2025.

Loan from a related party

The company obtained a short -term loan from a related party which is unsecured, repayable on or before 15 December 2023, bears interest rate at 4.25% per annum and interest is calculated from 1 January 2023 till the date of repayment.

Working capital loans

a) Trust receipts

The company obtained the trust receipts from various banks. The average effective interest rate for the trust receipts loan is 5.31% (2022: 2.24%) per annum and repayable within 7 days to 193 days (2022: 1 to 148 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 maturity of the bills ranges from 28 days to 158 days (2022: 28 to 158 days) from the date of the invoices. The weighted average effective interest rate is 4.87% (2022:2.61%) 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) Coal swap loan/ Coal advance sales and purchase transaction

i) Coal swap loan

The company entered into a facility arrangement called Coal advances and purchase transaction facility with a financial institution for US$ 50 million. This facility used API4 coal 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 floor and cap price. The financial institution 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. The loan facility is for a period from 11 June 2019 (effective date), with the option of the lender to extend the settlement of the facility to 10 June 2021 or, 10 June 2022, subject to decision taken by the financial institution. The Coal Swap Loan has been fully repaid during the financial year.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUE

21. **BORROWINGS – cont'd**

Working capital loans – cont'd

c) Coal swap loan/ Coal advance sales and purchase transaction – cont'd

ii) Coal advance sales and purchase transaction (i)

The company entered into a facility arrangement called Coal advance sales and purchase transaction facility with a financial institution for US$50 million. This facility used API4 coal 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 floor and cap price. The company and the financial institution are contractually obliged to pay/receive the value derived from Notional Value and reference price. The loan facility is for a period from 16 June 2020 (effective date) to 16 June 2023.

iii) Coal advance sales and purchase transaction (ii)

The company entered into a facility arrangement called Coal advance sales and purchase transaction facility with a financial institution for US$30 million. This facility used API4 coal 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 floor and cap price. The company and the financial institution are contractually obliged to pay/ receive the value derived from Notional Value and reference price. The loan facility is for a period from 16 September 2021 (effective date) to 16 September 2024.

Commercial property loan

The company obtained a long term commercial property loan from a financial institution to finance the purchase of leasehold property for the company. The loan bears interest at 1.25% fixed rate for first two years from drawdown date, there after the interest rate will be 2.25 % below lending Bank's Commercial Finance Rate. The loan is repayable in 300 monthly instalments (comprising principal and interest) and secured by first legal mortgage over the company's property at 3 Anson Road #22-01 Spring leaf Tower, Singapore 079909.

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 and letter of set off with margin money account with the bank;
ii) Charges over certain specific receivable, inventories and the related marine insurance policies, current assets, which are financed by the banks and private establishment;
iii) Bankers guarantee from a financial institution (Note 31)

The above borrowings are subject to loan covenants of which the material information is as follows:

NOTES TO THE FINANCIAL STATEMENTS – CONTINUE

21. **BORROWINGS – cont'd**

The company shall maintain:

a) a sum of tangible net worth of US$1,000,000,000 at all times;
b) total liabilities to net worth shall not exceed 7:1 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 EBIDTA as defined in the respective credit facility agreements;

The company regularly monitors its compliance with the financial covenants.

The bank borrowings are denominated in the following currencies.

	2023 **US$**	**2022** **US$**
Singapore dollar	**13,207,882**	13,446,571
United States dollar	**231,702,333**	485,144,385
	244,910,215	498,590,385

22. **LEASE LIABILITY**

	2023 **US$**	**2022** **US$**
Maturity analysis:		
Within one year	**29,882**	190,083
Within two to five years	**-**	31,680
	29,882	221,763
Less: future finance charges	**(113)**	(4,167)
	29,769	217,596
Analysed as:		
Current	**29,769**	186,036
Non-current	**-**	31,560
	29,769	217,596

The company leases residential apartment for a director (Note 10). The incremental borrowing rate is 3.05% (2022: 3.05%) per annum.

Total cash outflows for the lease amounted to US$192,336 (2022: US$351,910).

Lease liability is denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUE

23. **TRADE AND OTHER PAYABLES**

	2023 US$	2022 US$
Trade payables:		
- third parties	**969,934,46**	843,498,02
- related companies (Note 7)	**2,076,741**	914,879
- subsidiary (Note 12)	**183,698,28**	
	1,155,709,4	986,523,86
Advances from customers		
- third parties	**3,847,960**	58,698
- related companies (Note 7)	**877,547**	13,669,751
Deposit received	**59,832**	
Other payables		
- third parties	**2,384,887**	1,834,034
- subsidiary (Note 12)	**11,717,855**	11,070,476
Interest payables		
- third parties	**2,842,575**	1,579,797
- related company (Note 7)	**115,373**	
Withholding tax payables	**274,822**	279,056
Accrued expenses	**502,547**	1,167,018
	1,178,332,8	

Trade payables are non-interest bearing and are normally settled on 30 to 60 days (2022: 30 to 60 days) and import bills acceptance up to 180 days. Trade payables are principally comprising amounts outstanding for trade purchases.

Trade advances from customers refer to advance money placed by customers with company in connection with future sale of goods.

Other payables to a subsidiary and related parties are unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	2023 US$	2022 US$
Indian rupee	**1,576**	11,182
Singapore dollar	**118,696**	76,851
United States dollar	**1,178,212,616**	1,016,701,602
	1,178,332,888	1,016,789,635

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

24. REVENUE

Disaggregation of revenue from contracts with customers.

	2023 US$	2022 US$
Revenue from:		
Sale of commodities	**6,316,587,224**	4,135,273,839
Sales of capital goods	**-**	168,000
Sales of scrap metal	**1,428,166**	7,654,896
Sales of copper	**195,661**	-
Sales of power transmission goods	**-**	25,156,449
Charter hire income	**1,020,000**	1,044,000
	6,319,231,051	4,169,297,184

All revenue are recognised at a point in time except charter hire income which is recognised over time.

25. OTHER INCOME

	2023 US$	2022 US$
Operating income:		
- commission income	**-**	70,013
- discount received	**-**	14,370
- foreign currency exchange gain	**-**	139,111
- interest income from financial institutions	**1,980,764**	404,890
- interest income from third parties	**2,287,953**	15,228
- recovery of bad debts	**933,464**	6,977,705
- reversal of impairment on trade receivables	**-**	386,469
- late delivery charge	**76,937**	-
	5,279,118	8,007,786
Non-operating income:		
- gain on disposal of investment	**-**	8,246,000
- dividend income	**25,000,000**	-
- rental income from investment property	**182,346**	192,510
- sundry balances written back	**155,532**	-
- reversal of impairment on investment	**5,000,000**	-
- Job Support Scheme	**-**	35,531
- Job Growth Incentive	**50,939**	67,492
- Wage Credit Scheme	**-**	1,938
- other miscellaneous income	**6,362**	16,133
	30,395,179	8,559,604
	35,674,297	16,567,390

The company received wage support for local employees under the Jobs Support Scheme (“JSS”) and under the Jobs Growth Incentive (“JGI”) from the Singapore Government as part of the Government’s measures to support businesses during the period of economic uncertainty impacted by COVID-19.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

26. **FINANCE COSTS**

	2023 US$	2022 US$
Interest on loans, borrowings and bill discounting	**37,418,222**	16,587,082
Interest on lease liabilities	**3,875**	8,065
Bank charges and commission	**5,775,504**	2,787,944
L/C charges	**4,643,721**	3,909,502
Other interest	**2,525,522**	750,566
	50,366,844	24,043,159

27. **IMPAIRMENT OF FINANCIAL ASSETS**

	2023 US$	2022 US$
Impairment on loan to subsidiaries	**20,000,000**	-
Impairment on trade receivables	**839,268**	-
	20,839,268	-

28. **INCOME TAX**

	2023 US$	2022 US$
Current tax:		
Provision for current year	**8,130,970**	5,735,903
(Over)/ under provision in prior years	**(2,453,969)**	12,719
	5,677,001	5,748,622

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% (2022: 17% and 5%) to profit before income tax as a result of the following differences:

	2023 US$	2022 US$
Profit before income tax	**159,360,027**	114,787,479
Income tax expense calculated at 17% (2022: 17%)	**27,091,205**	19,513,871
Tax effects of:		
- GTP tax concessions	**(17,299,967)**	(13,696,313)
- non-deductible items	**3,439,732**	330,645
- non-taxable item	**(5,100,000)**	(412,300)
	8,130,970	5,735,903
(Over)/ under provision in prior years	**(2,453,969)**	12,719
	5,677,001	5,748,622

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

28. **INCOME TAX – cont'd**

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% (2022:17%).

Movement in income tax payables

	2023 US$	2022 US$
Balance at beginning of year	**5,735,903**	2,777,897
Income tax paid	**(3,281,934)**	(2,790,616)
Income tax expense	**5,677,001**	5,748,622
Balance at end of year	**8,130,970**	5,735,903

29. **PROFIT FOR THE YEAR**

Profit for the year has been arrived at after charging/ (crediting):

	2023 US$	2022 US$
Employee benefit expenses (including director's emoluments)	**9,446,864**	8,411,351
Cost of defined contribution plans included in employee Benefits	**242,037**	193,021
Bad debts expenses	**399,837**	2,239,860
Foreign currency exchange loss/ (gain)	**135,263**	(139,111)
(Reversal of impairment)/ impairment loss on investment in subsidiary	**(5,000,000)**	5,000,000
Insurance	**1,015,420**	1,346,233
Legal and professional fees	**6,000,133**	2,893,812
Loss on disposal of plant and equipment	**-**	12,710
Repair and maintenance	**760,449**	743,574
Sundry balances written off	**-**	1,151,150

30. **COMMITMENTS**

a) Financial support

	2023 US$	2022 US$
Financial support given to those subsidiaries having:		
- deficiencies in shareholders' funds	**49,158**	73,469

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

30. **COMMITMENTS – cont'd**

b) Capital commitments

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	2023 US$	2022 US$
Purchase of property	**19,576,089**	-

31. **CONTINGENT LIABILITIES**

	2023 US$	2022 US$
Corporate guarantee	**309,500,000**	124,000,000
Performance guarantee	**30,716,400**	44,652,000
Letters of credit	**256,003,898**	254,896,898
	286,720,298	423,548,898

No recognition for the fair value of the financial guarantee is made in the financial statements, as the directors consider that is more likely that no amount will be payable under the arrangement.

32. **LEASE COMMITMENTS**

The company as lessor

	2023 US$	2022 US$
Minimum lease receipts under operating lease recognised as an income in the year	**182,346**	192,510

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

	2023 US$	2022 US$
Within one year	**205,718**	113,037
In the second to fifth years inclusive	**36,775**	93,533
	242,492	206,570

The company rents out its investment properties to non-related parties under operating lease.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

33. 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.

Borrowings (Note 21)	**2023 US$**	2022 US$
Balance at beginning of the year	**498,590,956**	518,131,660
Financing cash flows:		
Add: Proceeds from borrowings	**2,786,507,539**	2,201,515,535
Less: Repayment of borrowings	**(3,040,423,691)**	(2,220,911,024)
	(253,916,152)	(19,395,489)
Non-cash transaction:		
Less: Foreign currency exchange loss/ (gain)	**235,411**	(145,215)
Balance at the end of year	**244,910,215**	498,590,956

Lease liability (Note 22)	**2023 US$**	2022 US$
Balance at beginning of the year	**217,596**	188,194
Add: Addition during the year	**-**	358,949
Financing cash flows:		
Less: Repayment of principal portion	**(188,461)**	(343,845)
Less: Payment of lease interest	**(3,875)**	(8,065)
	(192,336)	(351,910)
Non-cash transaction:		
Add: Interest on lease liability	**3,875**	8,065
Add: Foreign currency exchange loss	**634**	14,298
Balance at the end of year	**29,769**	217,596

34. 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 reporting period except as follows:

Subsequent to the reporting period, the company purchased a property at 3 Anson Road, #31-01 Springleaf Tower, Singapore 079909 for a purchase consideration of S$27,392,100.