

Adani Phuoc Minh Solar Power Company Limited

Financial Statements and Auditors' Report

For the year ended 31 March 2020

REPORT OF THE BOARD OF DIRECTORS

The directors have pleasure in submitting their report and audited financial statements prepared in accordance with Vietnamese accounting standards and system and comply with relevant statutory requirements for the year ended 31 March 2020.

Date of incorporation

The Company was incorporated in Ninh Thuan Province, Vietnam with limited liability on 6 July 2018.

Registered office

Quan The 1 Hamlet, Phuoc Minh Commune
Thuan Nam District, Ninh Thuan Province
Vietnam

Principal activities

The principal activities of the Company are to produce electricity from solar power.

Results

The results of the Company for the year ended 31 March 2020 are set out in the statement of income on page 5.

Financial indicators of the business

Items	Unit	Year ended 31/3/2020	Period from 6/7/2018 to 31/3/2019 (Restated)
Assets structure and capital structure			
1.1 Assets structure			
Non-current assets/Total assets	%	74	64
Current assets/Total assets	%	26	36
1.2 Capital structure			
Liabilities/Total resources	%	109	111
Owner's equity/Total resources	%	(9)	(11)
Liquidity			
2.1 Total assets to total liabilities ratio	times	0.91	0.90
2.2 Current assets to current liabilities ratio	times	0.24	0.32
2.3 Cash to current liabilities ratio	times	0.05	0.003

Member's Council

The members of Member's Council during the year ended 31 March 2020 and up to the date of this report were:

1. Representative from Adani Green Energy Limited
 Mr. Abhilash Mehta
 Mr. Ashok Jagetiya
2. Representative from TSV Joint Stock Company
 Mrs. Huynh Thanh Thuy

Directors

The directors who held office during the year ended 31 March 2020 and up to the date of this report were:

Mr. Abhilash Mehta	General Director
Mr. Ajay Thakur	Deputy General Director

Auditors

Auditors of the company are NEXIA STT Co., Ltd. – Ho Chi Minh City Branch.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying balance sheet, statement of income and statement of cash flows, together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Company as at 31 March 2020 and of its results of operations and cash flows for the year ended 31 March 2020 in accordance with Vietnamese accounting standards and systems and comply with relevant statutory requirements relating to the preparation and presentation of the financial statements.

On behalf of the Board

Ajay Thakur
Deputy General Director
Ninh Thuan Province, Vietnam
7 April 2020

INDEPENDENT AUDITORS' REPORT

To the Investors Adani Phuoc Minh Solar Power Company Limited

We have audited the accompanying financial statements of Adani Phuoc Minh Solar Power Company Limited ("the Company"), which were prepared on 7 April 2020 and comprise the balance sheet as at 31 March 2020, the statement of income, the statement of cash flows for the year ended 31 March 2020 and the explanatory notes as set out from pages 3 to 22.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese accounting standards and systems, and relevant statutory requirements relating to the preparation and presentation of the financial statements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Audit Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Adani Phuoc Minh Solar Power Company Limited as at 31 March 2020, and financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards and system and comply with relevant statutory requirements relating to the preparation and presentation of the financial statements.



NEXIA STT Co., Ltd. – Ho Chi Minh City Branch

Lê Quang Phi

Branch Director

Audit Practising Registration Certificate

No. 2073-2019-225-1



Phan Thi Bang Tuyet

Auditor

Audit Practising Registration Certificate

No. 2188-2018-225-1

Audit Report No: HCM-AU/412/2020/APMS

Ho Chi Minh City, 7 April 2020

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
BALANCE SHEET
AT 31 MARCH 2020

	Code	Note	31/3/2020 VND	31/3/2019 VND (Reclassified)
ASSETS				
CURRENT ASSETS	100		16,895,792,369	13,165,347,294
Cash and cash equivalents	110		3,802,649,561	141,746,211
Cash	111	3	3,802,649,561	141,746,211
Short-term receivables	130		13,000,733,091	13,000,000,000
Other short-term receivables	136	4	13,000,733,091	13,000,000,000
Other current assets	150		92,409,717	23,601,083
Deductible value-added tax	152		92,409,717	23,601,083
NON-CURRENT ASSETS	200		46,910,447,078	23,742,805,408
Long-term in progress assets	240		23,365,058,198	197,416,528
Construction in progress	242	5	23,365,058,198	197,416,528
Other long-term assets	260		23,545,388,880	23,545,388,880
Long-term prepaid expenses	261	6	23,545,388,880	23,545,388,880
TOTAL ASSETS	270		63,806,239,447	36,908,152,702

The accompanying notes form an integral part of these financial statements

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AT 31 MARCH 2020

	Code	Note	31/3/2020 VND	31/3/2019 VND (Reclassified)
RESOURCES				
LIABILITIES	300		69,779,897,161	40,838,731,640
Current liabilities	310	7	69,779,897,161	40,838,731,640
Short-term accrued expenses	315	8	237,230,000	156,730,000
Other short-term payables	319	8	90,948,476	1,000,000
Short-term borrowings	320	9	69,451,718,685	40,681,001,640
Non-current liabilities	330		-	-
OWNER'S EQUITY	400		(5,973,657,714)	(3,930,578,938)
Owner's equity	410	11	18,429,320	(3,930,578,938)
Contributed capital	411		18,429,320	18,429,320
Accumulated losses	421		(5,992,087,034)	(3,949,008,258)
Accumulated losses up to the end of prior period	421a		(3,949,008,258)	-
Accumulated losses of current year/period	421b		(2,043,078,776)	(3,949,008,258)
TOTAL RESOURCES	440		63,806,239,447	36,908,152,702

Prepared by:

Approved by:

 Nguyen Huynh Phuong Thao
 Chief Accountant

 Ajay Thakur
 Deputy General Director

Ninh Thuan Province, 7 April 2020

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
STATEMENT OF INCOME
YEAR ENDED 31 MARCH 2020

	Code	Note	Year ended 31/3/2020 VND	Period From 6/7/2018 to 31/3/2019 VND
Revenue from sales of goods and rendering of services	01		-	-
Less deductions	02		-	-
Net revenue from sales of goods and rendering of services	10		-	-
Cost of goods sold and services rendered	11		-	-
Gross profit/(loss) from sale of goods and rendering of services	20		-	-
Finance income	21		31,860,863	9,787,190
Finance expenses	22	11	(1,260,244,677)	(67,689,445)
<i>Including: interest expense</i>	23		-	-
Selling expenses	25		-	-
General and administrative expenses	26	13	(814,724,962)	(3,891,106,003)
Net operating losses	30		(2,043,108,776)	(3,949,008,258)
Other income	31		30,000	-
Other expenses	32		-	-
Profit from other activities	40		30,000	-
Accounting losses before tax	50		(2,043,078,776)	(3,949,008,258)
Current corporate income tax expense	51	14	-	-
Deferred corporate income tax (expense)/income	52		-	-
Net losses after tax	60		(2,043,078,776)	(3,949,008,258)

Prepared by:

Approved by:

 Nguyen Huynh Phuong Thao
 Chief Accountant

 Ajay Thakur
 Deputy General Director

Ninh Thuan Province, 7 April 2020

The accompanying notes form an integral part of these financial statements

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2020

	Code	Note	Year ended 31/3/2020 VND	Period from 6/7/2018 to 31/3/2019 VND (Reclassified)
CASH FLOWS FROM OPERATING ACTIVITIES				
Losses before tax	01		(2,043,078,776)	(3,949,008,258)
Adjustments for				
Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency	04		1,260,234,066	67,689,445
Operating losses before changes in working capital	08		(782,844,710)	(3,881,318,813)
Increase in receivables and other assets	09		(69,541,725)	(13,023,601,083)
Increase in payables and other liabilities	11		170,448,476	157,730,000
Increase in prepaid expenses	12		-	(23,545,388,880)
Net cash used in operating activities	20		(681,937,959)	(40,292,578,776)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(23,167,641,670)	(197,416,528)
Net cash used in investing activities	30		(23,167,641,670)	(197,416,528)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from contributed capital	31		-	18,429,320
Proceeds from short-term borrowings	33		27,452,428,152	40,613,318,160
Net cash generated from financing activities	40		27,452,428,152	40,631,747,480

The accompanying notes form an integral part of these financial statements

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED 31 MARCH 2020

	Code	Note	Year ended 31/3/2020 VND	Period from 6/7/2018 to 31/3/2019 VND (Reclassified)
Net cash flows during the year/period	50		3,602,848,523	141,752,176
Cash and cash equivalents at the beginning of the year/period	60		141,746,211	-
Impact of exchange rate fluctuations	61		58,054,827	(5,965)
Cash and cash equivalents at the end of the year/period	70	3	3,802,649,561	141,746,211

Prepared by:

Approved by:

 Nguyen Huynh Phuong Thao
Chief Accountant

 Ajay Thakur
Deputy General Director

Ninh Thuan Province, 7 April 2020

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

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

1. COMPANY BACKGROUND AND PRINCIPAL ACTIVITIES

Adani Phuoc Minh Solar Power Company Limited ("the Company") is a limited liability company with two or more members incorporated in Vietnam under the Law on Enterprise of Vietnam pursuant to the Investment Registration Certificate No. 1015228558 issued by the Department of Planning and Investment of Ninh Thuan Province on 7 June 2018 and the Business Registration Certificate No. 4500624684 issued by the Department of Planning and Investment of Ninh Thuan Province on 6 July 2018.

Amended Business Registration Certificate No. 4500624684	Date
1 st amendment	16 August 2018
2 nd amendment	24 March 2020

The Investment Registration Certificate is valid for 50 years from 31 May 2018.

The current principal activities of the Company are to produce electricity from solar power.

The Company's normal course of business cycle is 12 months.

The total investment and charter capital amounts of the Company as stipulated in the Investment Registration Certificate, Business Registration Certificate and defined under the Law on Enterprise of Vietnam are VND1,300,039,000,000 (equivalent to USD57,270,000) and VND260,007,800,000 (equivalent to USD11,454,000), respectively.

During the year, the charter capital amount of the Company were decreased from VND260,007,800,000 to VND50,894,888,750 under Amended Business Registration Certificate No. 4500624684 dated 24 March 2020.

As at 31 March 2020, the Company had no employee (31/3/2019: nil).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

Basis of financial statement preparation

The financial statements, expressed in Vietnamese Dong ("VND"), have been prepared in accordance with Vietnamese accounting standards, the Vietnamese accounting system and relevant statutory requirements on preparation and presentation of the financial statements.

The financial statements are prepared on the historical cost basis and on an accruals basis. The accounting policies have been consistently applied by the Company during the year and consistent with those used in previous period.

Fiscal year

The fiscal year of the Company is from 1 April to 31 March.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2020

Use of estimates

The preparation of financial statements in conformity with Vietnamese accounting standards, Vietnamese accounting system and relevant statutory requirements on preparation and presentation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates.

Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- capital contributions are recorded at the buying exchange rates of the banks designated for capital contribution; and
- payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- monetary assets are translated at buying exchange rate of the commercial bank where the Company conduct transactions regularly;
- monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conduct transactions regularly.

All foreign exchange differences are taken to the income statement in the year in which they are incurred.

Accounts receivable

Receivables are stated at cost less provision for doubtful debts. The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered.

Payables and accruals

Payables and accruals are recognised as amounts to be paid in the future for goods and services received, whether or not billed to the Company.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

Taxation

Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Deferred income tax

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax liabilities are always provided for in full. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which these assets can be utilised. Deferred income tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditures required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

Financial instruments

Financial instruments – initial recognition and preparation

Financial assets

Under Circular 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210"), financial assets are classified, for the purpose to the notes to the financial statements, to financial assets recognized at fair value through profit or loss statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are classified by the entity into this category upon initial recognition.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

At initial recognition, financial assets are stated at cost plus direct transaction costs.

Financial assets of the Company include cash and other receivables.

Financial liabilities

Under Circular 210, financial liabilities are classified for the purpose of notes to the financial statements, to financial liabilities recognized at fair value through profit or loss statement and amortised financial liabilities. Financial liabilities are classified by the entity into this category upon initial recognition.

At initial recognition, financial liabilities are stated at cost plus direct transaction costs.

Financial liabilities of the Company include other payables and short-term borrowings.

Subsequent recognition

There is currently no guidance in Circular 210 for determining the value of financial instruments for subsequent recognition. Therefore, the value for subsequent recognition of financial instruments is stated at cost.

Related parties

Related parties of the Company include enterprises and individual that directly or indirectly through one or more intermediaries control or controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship attention is directed to the substance of the relationship and not merely the legal form.

Subsequent events

Post-year-end events that provide additional information about a company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

Nil balance

Items or balances required by the standard Vietnamese accounting system format that are not shown in these financial statements indicate nil balances.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

3. CASH

	31/3/2020 VND	31/3/2019 VND
Cash in bank	3,802,649,561	141,746,211

Cash at 31 March 2020 included amounts denominated in currencies other than local currency – Vietnamese Dong ("VND") amounting to VND3.8 billion (31/3/2019: VND123 million).

4. OTHER SHORT-TERM RECEIVABLES

	31/3/2020 VND	31/3/2019 VND (Reclassified)
Deposit, mortgages or collaterals	13,000,000,000	13,000,000,000
Others	733,091	-
TOTAL	13,000,733,091	13,000,000,000

5. CONSTRUCTION IN PROGRESS

At 31 March 2020, construction in progress represents the cost of compensation and site clearance for project implementation in Thuan Nam District.

6. LONG-TERM PREPAID EXPENSES

At 31 March 2020, long-term prepaid expenses represents expenses waiting for allocation relating to service for entering the Power Purchase Agreement with Vietnam Electricity.

7. CURRENT LIABILITIES

Current liabilities denominated in currencies other than VND at 31 March 2020 amounted to VND69,452 million (31/3/2019: VND40,681 million).

8. SHORT-TERM ACCRUED EXPENSES

	31/3/2020 VND	31/3/2019 VND
Professional service fees	237,230,000	156,730,000

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

9. OTHER SHORT-TERM PAYABLES

	31/3/2020	31/3/2019
	VND	VND
Amounts were paid on behalf	89,948,476	-
Money received	1,000,000	1,000,000
TOTAL	90,948,476	1,000,000
<i>In which:</i>		
<i>Other payables to related parties</i>		
<i>Adani Green Energy (Vietnam) Pte., Ltd.</i>	89,948,476	-
<i>Mr. Ajay Thakur</i>	1,000,000	1,000,000

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

10. SHORT-TERM BORROWINGS

	31/3/2019		In the year		31/3/2020	
	Amount VND	Amount payable VND	Increase VND	Decrease VND	Amount VND	Amount payable VND
Borrowings	40,681,001,640	40,681,001,640	28,770,717,045	-	69,451,718,685	69,451,718,685
Short-term borrowings in foreign currencies at 31 March 2020 amounted to VND69,452 million (31/3/2019: VND40,681 million).						
Loan from Adani Green Energy Pte., Ltd.					27,384,210,750	26,917,677,800
Loan from Adani Green Energy (Vietnam) Pte., Ltd.					42,067,507,935	13,763,323,840
TOTAL					69,451,718,685	40,681,001,640

The short-term borrowings were due to related companies and were unsecured. The borrowings are free of interest and have no fixed term of repayment.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

11. OWNER'S EQUITY

The changes in owner's equity of the Company during the period/year are as follows:

	Contributed capital VND	Accumulated losses VND	Total VND
Balance at 6 July 2018	-	-	-
Net loss for the period	-	(3,949,008,258)	(3,949,008,258)
Contributed capital	18,429,320	-	18,429,320
Balance at 1 April 2019	18,429,320	(3,949,008,258)	(3,930,578,938)
Net loss for the year	-	(2,043,078,776)	(2,043,078,776)
Balance at 31 March 2020	18,429,320	(5,992,087,034)	(5,973,657,714)

The Company's authorised and contributed charter capital is:

	Authorised		Contributed		
	VND	%	USD	Equivalent VND	%
Adani Green Energy Limited	40,715,911,000	80	800	18,429,320	0
TSV Joint Stock Company	10,178,977,750	20	-	-	-
	50,894,888,750	100	800	18,429,320	0

The Company's authorised charter capital has not yet been fully contributed by Adani Green Energy Limited and TSV Joint Stock Company, which is incorporated in India and Vietnam, respectively.

12. FINANCE EXPENSES

	Year ended 31/3/2020 VND	Period from 6/7/2018 to 31/3/2019 VND
Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency	1,260,234,066	67,689,445
Foreign exchange loss	10,611	-
TOTAL	1,260,244,677	67,689,445

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31/3/2020 VND	Period from 6/7/2018 to 31/3/2019 VND
External services	708,418,000	3,730,173,829
Others	106,306,962	160,932,174
TOTAL	814,724,962	3,891,106,003

14. CURRENT CORPORATE INCOME TAX EXPENSE

Applicable tax rates

Under the terms of its Investment Registration Certificate and applicable tax regulations, the Company has an obligation to pay the government Corporate Income Tax ("CIT") as follows:

- *For the business activities:* the CIT is at the rate of 10% of taxable profits for the first 15 years starting from the first year it generates revenue and 20% for the succeeding years. However, the provisions of the Company's Investment Registration Certificate allow the Company to be exempt from CIT for 4 years starting from the first year it generates a taxable profit, and entitled to a 50% reduction in CIT for the 9 succeeding years.
- *For other activities:* the CIT is at the rate of 20% of taxable profits.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

Current tax expense

A reconciliation between the losses before tax and tax losses is presented below:

	Year ended 31/3/2020 VND	Period from 6/7/2018 to 31/3/2019 VND
Accounting loss before tax	(2,043,078,776)	(3,949,008,258)
Adjustments		
<i>Adjustments to increase</i>		
Expenses not deductible for tax effect	7,881,380	3,485,701,330
Accruals	-	156,730,000
Foreign exchange loss arisen from revaluation of monetary accounts denominated in foreign currency	-	5,695
<i>Adjustments to decrease</i>		
Reversal of accruals for the previous year	(156,730,000)	-
Foreign exchange gain arisen from revaluation of monetary accounts denominated in foreign currency	(58,054,827)	-
Reversal for foreign exchange loss arisen from revaluation of monetary accounts denominated in foreign currency of the previous year	(5,965)	-
Estimated current tax loss	(2,249,988,188)	(306,570,963)
Estimated current CIT expenses at CIT rate applicable		
<i>Tax at CIT rate applicable</i>	10% (224,998,819)	10% (30,657,096)
<i>Deferred tax assets not recognised</i>	224,998,819	30,657,096
Current corporate income tax expense	-	-

No provision for CIT has been made for the year as the Company incurred loss.

Tax losses can be carried forward to offset future years' taxable profit of up to five years from the year in which they were incurred. The actual amount of accumulated losses that can be carried forward is subject to the result of a tax audit which will be carried out by the tax authorities.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

Tax losses available for offset against future taxable profit are as follows:

Year incurred	Tax losses amount (*) VND	Utilised up to 31/3/2020 VND	Forfeited VND	Tax losses carried forward at 31/3/2020 VND	Year of expiration
31/3/2019	306,570,963	-	-	306,570,963	31/3/2024
31/3/2020	2,249,988,188			2,249,988,188	31/3/2025
TOTAL	2,556,559,151	-	-	2,556,559,151	

(*) Estimated tax losses as per the Company's CIT declaration for the years has not been audited by the tax authorities as of the date of these financial statements.

No deferred tax asset is recorded in the accompanying financial statements for the above tax losses as it is not probable that the Company will have sufficient future taxable profit to which said tax losses can be applied.

Beside, deferred taxes liabilities have not been recorded in the balance sheet as at 31 March 2020 because the Company has no significant temporary differences.

15. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

During the year/period the following significant transactions were carried out with related parties:

Related party	Relationship	Nature of transaction	Year ended 31/3/2020 VND	Period from 6/7/2018 to 31/3/2019 VND
Adani Green Energy Limited	Parent company	Capital were contributed	-	18,429,320
Adani Green Energy Pte., Ltd.	Related company	Borrowing received	-	26,907,639,320
Adani Green Energy (Vietnam) Pte., Ltd.	Related company	Borrowing received Amounts were paid on behalf	27,452,428,152 89,948,476	13,705,678,840 -
Mr. Ajay Thakur	Deputy General Director	Money received	-	1,000,000

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

16. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. They establish the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by the Board of Directors.

(a) Market risk

(i) *Currency risk*

The Company's business is exposed to the United States Dollar ("USD") as significant borrowings are denominated in USD.

The Company's currency exposure to the USD is as follows:

	31/3/2020		31/3/2019	
	USD	Equivalent VND	USD	Equivalent VND
Financial assets				
Cash	161,730	3,799,840,946	5,309	122,913,968
Financial liabilities				
Short-term borrowings	(2,936,027)	(69,451,718,685)	(1,749,570)	(40,681,001,640)
Currency exposure	(2,774,297)	(65,651,877,739)	(1,744,261)	(40,558,087,672)

At 31 March 2020, if the USD had strengthened by 1.6% (31/3/2019: strengthened by 0.7%) against the VND with all other variables including tax rate being held constant, the Company's loss after tax for the financial year would have been VND935 million (31/3/2019: VND256 million) higher as a result of currency translation losses on the remaining USD-denominated financial instruments.

(ii) *Interest rate risk*

The Company is exposed to significant interest rate risk on its borrowings. The Company's policy is to maintain fixed- rate borrowings of 0%.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

(b) Credit risk

The Company adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Company's major classes of financial assets are bank deposits and other receivables.

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company.

The Company's other receivables not past due include receivables amounting to VND13,000 million (31/3/2019: VND13,000 million).

(ii) *Financial assets that are past due and/or impaired*

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

(c) Liquidity risk

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year VND
At 31 March 2020	
Other payables	328,178,476
Borrowings	69,451,718,685
	<hr/>
At 31 March 2019	
Other payables	157,730,000
Borrowings	40,681,001,640
	<hr/>

(d) Fair value measurements

The carrying value less provision of current trade receivables, deposits and trade and other payables are approximate to their fair values.

The Company does not disclose fair values of financial assets and financial liabilities as at the year ended due to lack of specific guidance on fair value measurement of these financial instruments under Circular 210/2009/TT-BTC issued by Ministry of Finance dated 6 November 2009 and Vietnamese accounting standards and system.

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

17. OFF-BALANCE SHEET ITEMS

Cash included foreign currencies other than VND as follows:

	31/3/2020	31/3/2019
Foreign currencies		
USD	161,730	5,309

18. SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.

19. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified to conform with the current year's presentation.

Balance sheet

	31/3/2019 (As previously reported) VND	Reclassification VND	31/3/2019 (Reclassified) VND
Short-term prepayment to suppliers	23,742,805,408	(23,742,805,408)	-
Construction in progress	-	197,416,528	197,416,528
Long-term prepaid expenses	-	23,545,388,880	23,545,388,880

ADANI PHUOC MINH SOLAR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

Statement of cash flows

	Period from 6/7/2018 to 31/3/2019 (As previously reported) VND	Reclassification VND	Period from 6/7/2018 to 31/3/2019 (Reclassified) VND
Increase in receivables and other assets	(36,766,406,491)	23,742,805,408	(13,023,601,083)
Increase in prepaid expenses	-	(23,545,388,880)	(23,545,388,880)
Payments for additions to fixed assets and other long-term assets	-	(197,416,528)	(197,416,528)

Prepared by:

Approved by:

 Nguyen Huynh Phuong Thao
Chief Accountant

 Ajay Thakur
Deputy General Director

Ninh Thuan Province, 7 April 2020

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