

**ADANI INFRASTRUCTURE PTY  
LTD**

A.C.N. 606 764 827

**REDUCED DISCLOSURE  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
31 MARCH 2020**

# Adani Infrastructure Pty Ltd

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# Adani Infrastructure Pty Ltd

## Directors' report

### Year ended 31 March 2020

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Your directors submit their report for the year ended 31 March 2020.

#### **DIRECTORS**

The following persons were directors of Adani Infrastructure Pty Ltd (the "Company") during the whole financial year and up to the date of this report:

Samir Vora  
Jeyakumar Janakaraj

#### **COMPANY SECRETARY**

The Company Secretary of Adani Infrastructure Pty Ltd during the financial year and up to the date of this report:

Rajesh Gupta

#### **CORPORATE INFORMATION**

Adani Infrastructure Pty Ltd is a Company limited by shares that is incorporated and domiciled in Australia.

The registered office of Adani Infrastructure Pty Ltd is located at:

Level 9, 120 Edward Street  
Brisbane, Queensland, Australia.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the Company during the year ended 31 March 2020 were undertaking the pre-construction activities for water infrastructure work for the mining project.

#### **REVIEW OF OPERATIONS**

The loss after tax for the Company for the year ended 31 March 2020 was \$55,793 (2019: \$50,645).

#### **DIVIDENDS**

No dividend has been paid nor recommended.

#### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Other than the matters detailed as part of our review of the Company's operations for the year ended 31 March 2020, there were no significant changes in the state of affairs of the Company during the current financial year.

# Adani Infrastructure Pty Ltd

## Directors' report (continued)

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### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There have been no other matters or circumstances that have arisen since the end of the financial year, other than as noted below, that have significantly affected, or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in financial years after the financial year ended 31 March 2020.

#### *Impact of the Coronavirus (COVID-19) outbreak*

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization.

The Company has not seen a significant impact on its operations and business to date. The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community and the economy, and therefore may affect the operations of the business. The scale and duration of these developments remain uncertain as at the date of this report; however, have the potential to impact on the financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or governments' varying efforts to combat the outbreak and support businesses. This being the case, it is not considered practicable nor possible to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

No adjustments have been made to financial statements as at 31 March 2020 for the impacts of COVID-19.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the Company's operations and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to State and Federal Environmental Legislative requirements. There were no significant breaches or non-compliance with these requirements during the financial year ended 31 March 2020 and up to the date of this report.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS

During the financial year, a related party paid premiums in respect of a Directors' and Officers' Liability Insurance contract. The insurance contract insures against certain liabilities (subject to exclusions) for persons who are or have been directors or officers of the Company. A condition of the contract is that the nature of the liabilities indemnified and the premium payable shall not be disclosed.

### INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year ended 31 March 2020.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under *section 307C of the Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.

On behalf of the Board



Samir Vora  
Director

Brisbane, 28 April 2020



**Building a better  
working world**

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## Auditor's Independence Declaration to the Directors of Adani Infrastructure Pty Ltd

As lead auditor for the audit of the financial report of Adani Infrastructure Pty Ltd for the financial year ended 31 March 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Andrew Carrick  
Partner  
28 April 2020

**Adani Infrastructure Pty Ltd**  
**Statement of comprehensive income**  
**For the year ended 31 March 2020**

		Year ended 31 March 2020	Year ended 31 March 2019
	Notes	\$	\$
Other income	3	35	4,313
General and administration expenses		(55,828)	(51,640)
Finance costs		-	(3,318)
<b>Loss before tax</b>		<b>(55,793)</b>	<b>(50,645)</b>
Income tax expense	4	-	-
<b>Loss for the year from continuing operations</b>		<b>(55,793)</b>	<b>(50,645)</b>
<b>Other comprehensive loss</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(55,793)</b>	<b>(50,645)</b>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

# Adani Infrastructure Pty Ltd

## Balance sheet

As at 31 March 2020

		31 March 2020	31 March 2019
	Notes	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash on hand and at bank	5	15,953	1,139
<b>Total current assets</b>		<b>15,953</b>	<b>1,139</b>
<b>Non-current assets</b>			
Capital work in progress	6	2,110,681	2,110,681
Due from related parties	7	7,483,728	7,484,753
		<b>9,594,409</b>	<b>9,595,434</b>
<b>Total assets</b>		<b>9,610,363</b>	<b>9,596,572</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		35,298	35,016
Non-Interest bearing loan	8	11,022,553	10,953,253
<b>Total current liabilities</b>		<b>11,057,851</b>	<b>10,988,269</b>
<b>Total liabilities</b>		<b>11,057,851</b>	<b>10,988,269</b>
<b>Net liabilities</b>		<b>(1,447,489)</b>	<b>(1,391,696)</b>
<b>Equity</b>			
Contributed equity	9	1,000	1,000
Accumulated losses		(1,448,489)	(1,392,696)
<b>Total equity</b>		<b>(1,447,489)</b>	<b>(1,391,696)</b>

The above balance sheet should be read in conjunction with the accompanying notes.

**Adani Infrastructure Pty Ltd**  
**Statement of changes in equity**  
**For the year ended 31 March 2020**

	Contributed equity	Accumulated losses	Total
	\$	\$	\$
<b>For the year ended 31 March 2020</b>			
At 1 April 2019	1,000	(1,392,696)	(1,391,696)
Loss for the year	-	(55,793)	(55,793)
Total comprehensive losses	-	(55,793)	(55,793)
<b>At 31 March 2020</b>	<b>1,000</b>	<b>(1,448,489)</b>	<b>(1,447,489)</b>
<b>For the year ended 31 March 2019</b>			
At 1 April 2018	1,000	(1,342,051)	(1,341,051)
Loss for the year	-	(50,645)	(50,645)
Total comprehensive losses	-	(50,645)	(50,645)
<b>At 31 March 2019</b>	<b>1,000</b>	<b>(1,392,696)</b>	<b>(1,391,696)</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

# Adani Infrastructure Pty Ltd

## Statement of cash flows

For the year ended 31 March 2020

	Year ended 31 March 2020	Year ended 31 March 2019
<i>Notes</i>	\$	\$
<b>Cash flows from/(used in) operating activities</b>		
Payments to suppliers	(48,112)	(56,805)
Interest received	35	4,314
Finance costs paid	-	(3,318)
<b>Net cash used in operating activities</b>	<b>(48,077)</b>	<b>(55,809)</b>
<b>Cash flows from/(used in) investing activities</b>		
Payments for project expenses	-	(221,210)
Investment in/proceeds from a restricted bank account	-	457,673
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>236,463</b>
<b>Cash flows from/(used in) financing activities</b>		
Repayment of borrowings	-	(2,544,982)
Proceeds from borrowings	69,300	-
Advances (to)/from other related parties	(6,409)	2,365,366
<b>Net cash flows from/(used in) financing activities</b>	<b>62,891</b>	<b>(179,616)</b>
Net increase in cash at bank and on hand	14,814	1,038
Cash at bank and on hand at beginning of the year	1,139	101
<b>Cash at bank and on hand at end of the year</b>	<b>15,953</b>	<b>1,139</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

# Adani Infrastructure Pty Ltd

## Notes to the financial statements

For the year ended 31 March 2020

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### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The general purpose financial report of Adani Infrastructure Pty Ltd (the "Company") for the year ended 31 March 2020 was authorised for issue in accordance with a resolution of the directors on 28 April 2020.

#### (a) Basis of accounting

##### (i) *Statement of compliance*

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements for the Company are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDR).

The Company is limited by shares for the purpose of preparing the financial statements. The financial report has also been prepared on a historical cost basis and is presented in Australian dollars.

##### (ii) *Going concern*

During the year ended 31 March 2020, the Company made a loss of \$55,793 (2019: \$50,645), and as at 31 March 2020, the Company had current liabilities exceeding current assets by \$11,041,898 (2019: \$10,987,130). This is chiefly due to the classification of the Company's related party borrowings as a current liability (refer to note 8).

The ability of the Company to continue as a going concern is dependent upon the ongoing support of its shareholders. The ultimate parent company, Adani Enterprises Limited has agreed to not call on the Group to repay any loans or other amounts owing to it or entities under its control, if after payment of the loans or the other amounts, the Company would not be able to meet its debts as and when they fall due for a period not less than twelve months from date from these financial statements. Additionally, Adani Enterprises Limited, in its own capacity or through entities under its control, has agreed to provide financial support to the Company for a period of at least twelve months from the date of these financial statements. Based on the letter of support received, the Directors of the Company are satisfied funds will be available to meet the planned activities and contractually committed for at least 12 months from the date of the authorisation of these financial statements.

##### (iii) *New and amended standards and interpretations*

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2019. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of each new standard or amendment is described below:

#### ► AASB Interpretation 23 *Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 12 Income Taxes. The Company may apply significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions, and has determined it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Company.

# Adani Infrastructure Pty Ltd

## Notes to the financial statements

For the year ended 31 March 2020

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(a) **Basis of accounting (continued)**

(iii) **New and amended standards and interpretations (continued)**

▶ *Amendments to AASB 9 Prepayment Features with Negative Compensation*

Under AASB 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to AASB 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the consolidated financial report of the Company.

(iv) **New standards and interpretations not yet adopted**

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) **Foreign currency translation**

The Company's functional currency is the Australian dollar, being the currency of the primary economic environment in which it operates.

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the appropriate exchange rates ruling at that date. Exchange differences are dealt with in the profit or loss.

(c) **Other income recognition**

*Interest*

Interest income is recognised as the interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(d) **Income taxes**

*Current tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

*Deferred tax*

Deferred tax is provided for all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial purposes.

# Adani Infrastructure Pty Ltd

## Notes to the financial statements (continued)

For the year ended 31 March 2020

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### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Income taxes (continued)

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### *Current and deferred tax for the period*

Current and deferred tax is recognised as an expense or income in the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

#### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities which are disclosed as operating cash flows.

#### (f) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash at bank and on hand includes deposits at call which are readily convertible to cash on hand, as defined above, net of outstanding bank overdrafts.

#### (g) Trade and other receivables

Trade receivables are recognised when an amount of consideration that is unconditional is due from the customer, i.e. only the passage of time is required before payment of the consideration is due. Refer to accounting policies in note 1(h) Financial Instruments (i) Financial assets - initial recognition and measurement; and (ii) Financial assets - subsequent measurement.

# Adani Infrastructure Pty Ltd

## Notes to the financial statements (continued)

For the year ended 31 March 2020

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### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Financial assets - initial recognition and measurement

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### (ii) Financial assets - subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- ▶ Financial assets at amortised cost (debt instruments)
- ▶ Financial assets at fair value through profit or loss

##### *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- ▶ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- ▶ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include other receivables and amounts due from related parties.

#### (iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

# Adani Infrastructure Pty Ltd

## Notes to the financial statements (continued)

For the year ended 31 March 2020

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### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Financial instruments (continued)

##### (iv) Impairment of financial assets

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

For other receivables and contract assets, the Company applies a simplified approach in calculating ECL's. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements help by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### (v) Financial liabilities - initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or trade and other payables as appropriate.

All financial liabilities are recognised initially at net of directly attributable transactions costs.

The Company's financial liabilities include trade and other payables and non-interest bearing loans.

##### (vi) Financial liabilities - subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below.

###### *Loans and borrowings and trade and other payables*

This category is the most relevant to the Company. After initial recognition, interest bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Income.

##### (vii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

##### (viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### (i) Capital work in progress

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. The Company is currently in the development phase and had no depreciating assets during the year.

# Adani Infrastructure Pty Ltd

## Notes to the financial statements (continued)

For the year ended 31 March 2020

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### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

#### (k) Trade and other payables

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the reporting date that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (l) Non-interest-bearing loans

The Company's loan with related parties is carried at amortised cost using the effective interest rate method. The loan is for a period of five years but on issuing notice to the Company, the lender can require the company to repay the loan on demand.

The measurement of an interest free loan at amortised cost using the effective interest rate method generally results in the carrying value of the loan being lower than its principal amount. Given this loan can be required to be repaid, at any time, at the unilateral demand of the lender, the loan has been classified as a current liability. Due to the ability of the loan to be called at unilateral demand of the lender, the liability has not been discounted.

#### (m) Contributed equity

Ordinary shares and additional capital contributions are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

# Adani Infrastructure Pty Ltd

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 2 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items where actual results could differ from those estimates.

#### **Impairment:**

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Based on the value in use approach, no impairment has been recognised. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next thirty five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows.

#### **Deferred tax asset**

Deferred tax assets are recognised for all temporary differences (including unused tax losses) to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### **COVID-19**

During March 2020, the World Health Organisation declared the outbreak of COVID-19 as a global pandemic. The outbreak has not had a significant impact on the Company's operations as at 31 March 2020 but, given the evolving nature of the COVID-19 outbreak, the potential impacts on the Company's operations subsequent to year end cannot be reliably estimated.

	Year ended 31 March 2020	Year ended 31 March 2019
	\$	\$
<b>3 OTHER INCOME</b>		
Interest income	35	4,313
<b>4 INCOME TAX</b>		
<b>(a) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Accounting loss before income tax	(55,793)	(50,645)
At Australia's statutory income tax rate of 30% (2019: 30%)	16,738	15,194
Prior year adjustment	1,593	57,745
Tax benefit not recognised	(18,331)	(72,938)
	-	-
<b>(b) Tax losses</b>		
Unused tax losses for which no deferred tax asset has been recognised	304,228	243,127
Potential tax benefit @ 30%	91,269	72,938

The unused tax losses were incurred and it is not likely that taxable income will be earned in the foreseeable future.

# Adani Infrastructure Pty Ltd

## Notes to the financial statements (continued)

For the year ended 31 March 2020

	31 March 2020	31 March 2019
	\$	\$
<b>5 CASH AT BANK AND RESTRICTED BANK DEPOSITS</b>		
Cash at bank and on hand	15,953	1,139
	<b>15,953</b>	<b>1,139</b>
<b>6 CAPITAL WORK IN PROGRESS</b>		
Opening balance	2,110,681	2,071,800
Additions for the year	-	221,210
Transferred to related party *	-	(182,330)
Closing balance	<b>2,110,681</b>	<b>2,110,681</b>
* Prior year related party was Adani Renewable Asset Holdings Trust		
<b>7 DUE FROM RELATED PARTIES</b>		
Adani Renewable Asset Holdings Trust	4,644,501	4,644,501
Adani Rugby Run Trust	2,713,227	2,713,852
Adani Renewable Asset Holdings Pty Ltd	126,000	126,000
Adani Rugby Run Pty Ltd	-	200
Adani Renewable Asset Trust	-	200
	<b>7,483,728</b>	<b>7,484,753</b>
* All outstanding balances at year end are unsecured, non interest bearing and receivable on demand		
<b>8 NON-INTEREST-BEARING LIABILITIES</b>		
<b>Current</b>		
Non-interest bearing loan due to Adani Mining Pty Ltd (repayable on demand)	<b>11,022,553</b>	<b>10,953,253</b>
<b>9 CONTRIBUTED EQUITY</b>		
<b>(a) Issued and paid up capital</b>		
Ordinary shares fully paid	<b>1,000</b>	<b>1,000</b>
<b>(b) Movement in ordinary shares on issue</b>		
	No.	No.
Opening balance	1,000	1,000
Issued during the year	-	-
End of financial year	<b>1,000</b>	<b>1,000</b>
<b>(c) Ordinary shares</b>		
Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.		

# Adani Infrastructure Pty Ltd

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 10 NON-CASH FINANCING AND INVESTING ACTIVITIES

During the prior year the Company transferred Capital work in progress to other renewable entities.

### 11 RELATED PARTY DISCLOSURES

#### (a) Parent entities

The Company is controlled by the following entities:

Name	Type	Ownership interest	
		31 March 2020	31 March 2019
Adani Global Pte Ltd	Immediate parent entity	100%	100%
Adani Enterprises Ltd	Ultimate parent entity and controlling party	100%	100%

There were no transactions between the Company and Adani Enterprises Ltd, the ultimate parent during the financial year (2019: \$Nil)

#### (b) Transactions with other related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	Year ended 31 March 2020	Year ended 31 March 2019
	\$	\$
Transfer of Capital work in progress	-	182,330

#### Terms and conditions of transactions with related parties

► Transfers of capital work in progress were based on agreements between parties.

# Adani Infrastructure Pty Ltd

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 11 RELATED PARTY DISCLOSURES (continued)

#### (c) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31 March 2020	31 March 2019
	\$	\$
<b>Non-current receivables*</b>		
Parent entity	-	-
Other related parties	7,483,728	7,484,753
	<u>7,483,728</u>	<u>7,484,753</u>

\* Refer to note 7 for terms and conditions.

#### **Current payables\***

Other related parties

22,000	22,000
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\* All outstanding balances at year end are payable on demand and are included in trade and other payables.

#### (d) Loans from related parties\*

Beginning of the year	10,953,253	13,498,235
Loans advanced	69,300	-
Repayments	-	(2,544,982)
Closing balance	<u>11,022,553</u>	<u>10,953,253</u>

\* Refer to note 8 for the terms and conditions.

#### (e) Key Management Personnel

The Company received key management personnel services provided by other related entities.

### 12 SUBSEQUENT EVENTS

There have been no other matters or circumstances that have arisen since the end of the financial year, other than as noted below, that have significantly affected, or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs after the year ended 31 March 2020.

#### **Impact of the Coronavirus (COVID-19) outbreak**

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization.

The Company has not seen a significant impact on its operations and business to date. The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community and the economy, and therefore may affect the operations of the business. The scale and duration of these developments remain uncertain as at the date of this report; however, have the potential to impact on the financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or governments' varying efforts to combat the outbreak and support businesses. This being the case, it is not considered practicable nor possible to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

No adjustments have been made to financial statements as at 31 March 2020 for the impacts of COVID-19.

# Adani Infrastructure Pty Ltd

## Directors' declaration

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In the opinion of the directors:

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's balance sheet as at 31 March 2020 and of its performance for the year ended on that date; and
  
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Samir Vora  
Director

Brisbane, 28 April 2020



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## Independent Auditor's Report to the Member of Adani Infrastructure Pty Ltd

### Opinion

We have audited the financial report of Adani Infrastructure Pty Ltd (the Company), which comprises the balance sheet as at 31 March 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 31 March 2020 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001 and to meet Section 3CA of the Taxation Administration Act 1953. Our report is intended solely for Adani Infrastructure Pty Ltd and its member and should not be used by parties other than Adani Infrastructure Pty Ltd and its member. Our opinion is not modified in respect of this matter.



## Emphasis of Matter: Subsequent Events – Impact of the Coronavirus (COVID-19) Outbreak

We draw attention to Note 12 of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic during March 2020 and how this has been considered by the Directors in the preparation of the financial report. As set out in Note 12, no adjustments have been made to financial report as at 31 March 2020 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the Directors' report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.



Ernst & Young



Andrew Carrick  
Partner  
Brisbane  
28 April 2020