

ADANI MINING PTY LTD
ACN: 145 455 205

SPECIAL PURPOSE FINANCIAL REPORT

YEAR ENDED 31 MARCH 2016

**ADANI MINING PTY LTD
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2016**

Your directors submit their report for the year ended 31 March 2016.

Directors

The names of the directors of the Adani Mining Pty Ltd (the "Company") in office during the financial year and up to the date of this report are:

Narayan Subbaraman (appointed 8 November 2010, resigned 30 September 2015)
Samir Vora (appointed 4 October 2010)
Harsh Mishra (appointed 28 July 2010)
Gerald Frank Grove-White (appointed 6 September 2010)
Jeyakumar Janakaraj (appointed 14 January 2014)

Corporate Information

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

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

Level 25, AMP Place, 10 Eagle Street
Brisbane, Queensland, Australia

Company Secretary

The Company Secretary of Adani Mining Pty Ltd at the appointed time and since the end of financial year is:

S M Groth (appointed 31 July 2014, resigned 30 September 2015)
Rajesh Gupta (appointed on 30 September 2015)

Employees

As at 31 March 2016, the Company had 27 employees.

Principal Activities

The principal activity of the Company during the year was exploration and evaluation of coal mining tenements in Queensland, Australia. The exploration and evaluation activities were undertaken to identify commercial exploitable mineral reserves and resources for development and extraction.

Results and Dividends

The profit after tax for the Company for the year ended 31 March 2016 was \$3,354,466
No dividend has been paid nor recommended.

Review of Operations

During the year ended 31 March 2016, mine approvals related activities continued to be carried out in the Carmichael Coal Tenement in the Galilee basin. During the year, the Company received the environmental approvals.

Significant Changes in the State of Affairs

Other than the matters detailed as part of our review of the Company's operation for the year ended 31 March 2016, there were no significant changes in the state of affairs of the Company during the current financial period.

Likely Developments and Expected Results

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.

Environmental Regulation and Performance

The Company's operations are subject to State and Federal Environmental Legislative requirements. There were no breaches or non-compliance with these requirements during the financial year ended 31 March 2016 and up to the date of this report.

Significant Events after the Reporting Date

The Company received mining lease approvals in April 2016. There have been no other matters or circumstances that have arisen since the end of the financial year 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 2016.

**ADANI MINING PTY LTD
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2016**

Indemnification and Insurance of Directors

During the financial year, the Company paid premiums in respect of Directors' and Officers' Liability Insurance contract. The insurance contracts insure 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.

Auditor's Independence Declaration

We have obtained an independence declaration from our auditor, Ernst & Young, as attached at page 18.

Nou-audit Services

The details of non-audit services provided by the Company's auditor are included in Note 16 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporation Act 2001*. The nature and scope of each type of non-audit service provided means that the auditor's independence was not compromised.

Signed in accordance with a resolution of directors.

On behalf of the Board



Jeyakumar Janakaraj
Director

Brisbane, Queensland
11 May 2016

**ADANI MINING PTY LTD
DIRECTORS' DECLARATION
YEAR ENDED 31 MARCH 2016**

In accordance with a resolution of the directors of Adani Mining Pty Ltd, we state that:

In the opinion of the directors:

- a) The Company is not a reporting entity as defined in the Australian Accounting Standards;
- b) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 March 2016 and of its performance for year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the *Corporations Regulations 2001*; and
- c) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Jeyakumar Janakaraj
Director

Brisbane, Queensland
11 May 2016

ADANI MINING PTY LTD
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2016

		Year Ended 31-Mar-16 \$	Year Ended 31-Mar-15 \$
Interest income		396,127	91,889
Other income	2	749,119	15,254,333
General and administration expenses		(4,539,723)	(3,226,490)
Loss on disposal of property, plant and equipment		(2,289,163)	-
Lease rental		(702,283)	(376,236)
Foreign currency gain/(loss)		9,740,389	(197,110,171)
PROFIT/(LOSS) BEFORE INCOME TAX		3,354,466	(185,366,675)
Income tax expense	3	-	-
PROFIT/(LOSS) FOR THE YEAR		3,354,466	(185,366,675)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (NET OF TAX)		3,354,466	(185,366,675)

ADANI MINING PTY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

		31-Mar-16 \$	31-Mar-15 \$
CURRENT ASSETS			
Cash on hand and at bank	13(b)	2,674,790	1,039,807
Restricted bank deposits		21,265,660	994,098
Other receivables	4	1,071,810	1,661,052
Due from related parties	5	146,886,940	126,780,923
TOTAL CURRENT ASSETS		<u>171,899,200</u>	<u>130,475,880</u>
NON-CURRENT ASSETS			
Property, plant and equipment		82,663,560	88,244,227
Investment in a subsidiary- Galilee Power Transmission Pty Ltd	6	1	1
Exploration and evaluation assets	7	969,112,942	910,111,917
TOTAL NON-CURRENT ASSETS		<u>1,051,776,503</u>	<u>998,356,145</u>
TOTAL ASSETS		<u>1,223,675,703</u>	<u>1,128,832,025</u>
CURRENT LIABILITIES			
Trade and other payables	8	27,179,023	13,710,321
Non-interest bearing loans	9	1,401,195,602	896,254,220
Interest bearing loans	10	22,249,287	449,170,159
TOTAL CURRENT LIABILITIES		<u>1,450,623,912</u>	<u>1,359,134,700</u>
TOTAL LIABILITIES		<u>1,450,623,912</u>	<u>1,359,134,700</u>
NET LIABILITIES		<u>(226,948,209)</u>	<u>(230,302,675)</u>
EQUITY			
Contributed equity	11	8,693,556	8,693,556
Accumulated losses	12	(235,641,765)	(238,996,231)
TOTAL EQUITY		<u>(226,948,209)</u>	<u>(230,302,675)</u>

ADANI MINING PTY LTD
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2016

	Year Ended 31-Mar-16 \$	Year Ended 31-Mar-15 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	710,103	355,564
Payments to suppliers and employees	(5,242,006)	(4,978,896)
Interest received	396,127	91,889
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES 13(a)	(4,135,776)	(4,531,443)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in bank deposits	(20,271,562)	(994,098)
Net payments for on-going exploration and evaluation and property, plant and equipment	(42,271,832)	(112,527,301)
Proceeds from disposal of property, plant and equipment	659,274	-
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	(61,884,120)	(113,521,399)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	426,920,872	383,397,009
Repayment of borrowings	(359,265,993)	(266,726,283)
NET CASH FLOWS FROM FINANCING ACTIVITIES	67,654,879	116,670,726
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,634,983	(1,382,116)
Add opening cash and cash equivalents brought forward	1,039,807	2,421,923
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD 13(b)	2,674,790	1,039,807

ADANI MINING PTY LTD
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2016

For the year ended 31 March 2016

	<i>Contributed equity</i>	<i>Accumulated losses</i>	<i>Total</i>
	\$	\$	\$
At 1 April 2015	8,693,556	(238,996,231)	(230,302,675)
Profit for the year	-	3,354,466	3,354,466
At 31 March 2016	<u>8,693,556</u>	<u>(235,641,765)</u>	<u>(226,948,209)</u>

For the year ended 31 March 2015

	<i>Contributed equity</i>	<i>Accumulated losses</i>	<i>Total</i>
	\$	\$	\$
At 1 April 2014	8,693,556	(53,629,556)	(44,936,000)
Loss for the year	-	(185,366,675)	(185,366,675)
At 31 March 2015	<u>8,693,556</u>	<u>(238,996,231)</u>	<u>(230,302,675)</u>

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The special purpose financial report of Adani Mining Pty Ltd (the "Company") for the year ended 31 March 2016 was authorised for issue in accordance with a resolution of the directors on 11 May 2016.

The financial report is the standalone financial report of the company and does not consolidate the financial report of its subsidiary Galilee Transmission Holdings Pty Ltd.

a) Basis of accounting

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the *Corporations Act 2001*. The accounting policies used in the preparation of this report are, in the opinion of the directors, appropriate to meet the needs of members.

The financial report is prepared in accordance with the historical cost convention and is presented in Australian dollars.

At 31 March 2016, the Company has a net asset deficiency of \$226,948,209 (2015: \$230,302,675) and its current liabilities exceed its current assets by \$1,278,724,712 (2015: \$1,228,658,820). This is chiefly due to the classification as current liabilities of the Company's related party borrowings (refer Notes 9 and 10).

The going concern basis has been adopted in preparing these accounts on the basis that:

- Adani Global Pte Ltd and Adani Global FZE Ltd (both entities are subsidiaries of Adani Enterprises Ltd, being the Company's ultimate parent entity) and Mundra Port Pty Ltd have undertaken to not request repayment of the amounts owing to them unless the Company is able to raise other finance to fund such repayment; and
- The Company has committed, undrawn borrowing facilities of \$199.3 million from Adani Global Pte Ltd, Adani Global FZE Ltd and Mundra Port Pty Ltd as at 31 March 2016. The amounts available to the Company under its committed borrowing facilities are sufficient to fund its planned activities for at least 12 months from the date of the authorisation of these financial statements.

The final investment decision and financing strategy for the development of the Carmichael Project will be undertaken once the known and potential legal challenges in respect of to the Carmichael Project's regulatory approvals are determined by the Courts.

b) Statement of compliance

The requirements of Accounting Standards and other professional reporting requirements do not have mandatory applicability to the Company because it is not a reporting entity. However, the directors have determined that in order for the financial report to give a true and fair view of the Company's performance, cash flows and financial position, the requirements of the Accounting Standards and other professional reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The directors have prepared the financial report in accordance with Accounting Standards and other professional reporting requirements in Australia with the exception of the disclosure requirements of the following:

- AASB 7 *Financial Instruments: Disclosures*;
- AASB 10 *Consolidated Financial Statements*;
- AASB 12 *Disclosure of Interests in Other Entities*;
- AASB 13 *Fair Value Measurement*;
- AASB 112 *Income Taxes*;
- AASB 116 *Property, Plant and Equipment*;
- AASB 117 *Leases*;
- AASB 119 *Employee Benefits*;
- AASB 123 *Borrowing Costs*;
- AASB 124 *Related Party Disclosures*;
- AASB 132 *Financial Instruments: Presentation*;
- AASB 136 *Impairment of Assets*;
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets and*
- AASB 139 *Financial Instruments: Recognition and Measurement*.

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b) Statement of compliance (continued)

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the year ended 31 March 2016.

The Company has not elected to early adopt these Standards and Interpretations. Based on this assessment management does not expect them to have a material effect on the financial position or performance of the Company.

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific revenue recognition criteria must also be met before revenue is recognised:

Interest

Revenue 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 period. 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 periods 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 balance sheet date between the tax bases of assets and liabilities and their carrying amount of for financial statement purposes.

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.

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Income taxes (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(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 income statement, 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) 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 and cash equivalents cash includes deposits at call which are readily convertible to cash on hand, which are as defined above, net of outstanding bank overdrafts.

f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Due to their short term nature they are not discounted.

Collectability of receivables is reviewed on an on-going basis.

g) Exploration and evaluation assets

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Cost of acquiring mining and exploration tenements;
- Researching and analysing historical exploration data;
- Conducting topographical, geochemical and geophysical studies;
- Conducting exploratory drilling, trenching and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling prefeasibility and feasibility studies.

Exploration expenditure relates to the initial search for mineral deposits with economic potential. Evaluation expenditure arises from detailed assessment of deposits or other projects that have been identified as having economic potential.

Exploration and evaluation expenditure is charged to the profit or loss as incurred unless the directors are confident of the project's technical and commercial feasibility and hence it is probable economic benefits will flow to the Company, in which case expenditure may be capitalised.

Capitalised exploration and evaluation expenditure is treated as a tangible asset and is recorded at cost less any accumulated impairment charges. No amortisation is charged during the exploration and evaluation phase as the asset is not available for use.

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Exploration and evaluation assets (continued)

All capitalised exploration and evaluation expenditure is monitored for indications of impairment. An impairment review is performed, either individually or at the cash-generating unit level, when there are indicators that the carrying amount of the assets may exceed its recoverable amounts. To the extent that this occurs, the excess is fully provided for, in the financial year in which this is determined.

Once development of a mining tenement is sanctioned, all capitalised exploration and evaluation costs in respect of the mining tenement are transferred to "Mine Development". All subsequent expenditure on construction, installation or completion of infrastructure facilities are capitalised within "Mine Development". Development expenditure is net of proceeds from all but the incidental sale of minerals and ore extracted as part of the development phase.

h) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Plant and equipment 3 to 15 years
- Buildings 10 to 15 years
- Furniture & fixtures 3 to 20 years
- Vehicles 5 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Impairment

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.

j) 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.

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Non-interest bearing loans

The Company's loan with Adani Global Pte Ltd and Adani Global FZE 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, Adani Global Pte Ltd (the lender) and Adani Global FZE (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.

l) Interest bearing loans

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Borrowings are classified as current unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction and production of a qualifying asset (ie: an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur.

m) Foreign currency transactions

The Company's functional currency is the Australian dollar, being the currency of the primary economic environment in which they operate. The special purpose financial report is presented in Australian dollars.

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.

n) Investment in Subsidiaries:

The company owns 100% shares of Galilee Transmission Holdings Pty Ltd, an Australian company incorporated during the year. Investment in subsidiary is recorded at cost in the standalone financial statement of the Company.

o) Significant accounting judgements and estimates

The preparation of the special purpose financial report requires management to make estimates and judgements that affect the amounts reported in the special purpose financial report and accompanying notes. Actual results could differ from those estimates. The following judgements have the most significant effect on the amounts recognised in the special purpose financial report.

Capitalisation and impairment of exploration and evaluation costs

Exploration and evaluation expenditure is charged to the profit or loss as incurred unless the directors are confident of the project's technical and commercial feasibility and hence it is probable economic benefits will flow to the Company, in which case expenditure may be capitalised.

Assessment of a project's technical and commercial feasibility requires significant judgements and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as conditions impacting mineral prices and costs change.

The Company assesses whether there are any indicators of impairment for capitalised exploration and evaluation expenditure at the end of each reporting period. When an impairment test is undertaken, management judgement and estimates are required in determining suitable valuation factors as mentioned in the impairment test above.

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

	Year Ended 31 March 2016 \$	Year Ended 31 March 2015 \$
2. OTHER INCOME		
Recovery of cost from Carmichael Rail Network Trust	-	5,737,915
Management Fee from Carmichael Rail Network Trust	-	9,160,854
Other Income	749,119	355,564
	<u>749,119</u>	<u>15,254,333</u>
3. INCOME TAX		
Accounting profit/(loss) before income tax	3,354,466	(185,366,675)
At the statutory income tax rate of 30%	1,006,340	(55,610,003)
Non-deductible expenditure	3,732	11,140
Prior year adjustment	(49,965,148)	(32,561,265)
Tax losses not recognised	48,955,076	88,160,128
At the effective income tax rate	<u>-</u>	<u>-</u>
4. OTHER RECEIVABLES		
Advances paid and deposits	885,731	1,024,043
Other receivables	120,186	20,416
GST receivable	65,893	616,593
	<u>1,071,810</u>	<u>1,661,052</u>

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

	31-Mar-16	31-Mar-15
	\$	\$
5. DUE FROM RELATED PARTIES		
<i>Receivables</i>		
Carmichael Rail Network Trust	143,203,660	125,344,464
Carmichael Rail Pty Ltd	-	735,113
Adani Australia Coal Terminal Pty Ltd	1,424,883	209,854
Adani Australia Holding Trust	1,371,716	-
Other related parties	148,308	106,273
Non-interest bearing loans (payable on demand not later than 5 years from the agreement date)		
Adani Minerals Pty Ltd (USD10 million facility agreement dated 1 December 2011)	538,373	385,219
Adani Infrastructure Pty Ltd (\$100 million facility agreement dated 25 January 2016)	100,000	-
Adani Australia Coal Terminal Pty Ltd (\$10 million facility agreement dated 5 May 2014)	100,000	-
	146,886,940	126,780,923
6. INVESTMENTS IN SUBSIDIARY		
Investment – Equity shares of Galilee Transmission Holdings Pty Ltd	1	1
	1	1
7. EXPLORATION AND EVALUATION ASSETS		
(a) The relates to capitalised exploration and evaluation of EPC 1690 and EPC1080. Consistent with Note 1(g), no amortisation is charged during the exploration and evaluation phase as the asset is not available for use.		
(b) Reconciliation of carrying amounts from the beginning and end of the period:		
At the beginning of the year	910,111,917	898,453,848
- Net amounts paid and payable in respect of the on-going exploration and evaluation of EPC 1690 and EPC 1080	47,537,922	73,716,887
- Capitalised interest	11,463,103	30,869,722
- Transfer to Carmichael Rail Network Trust	-	(92,928,540)
At the end of the year	969,112,942	910,111,917
8. TRADE AND OTHER PAYABLES		
Trade creditors and accruals	7,315,711	7,391,402
Employee benefits	-	289
Amounts due to related parties	12,906,916	1,114,612
Retention payable	22,279	93,545
Accrued interest (Mundra Port Pty Ltd)	5,276,510	3,190,018
Other payables	1,657,607	1,920,455
	27,179,023	13,710,321

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016

	31-Mar-16	31-Mar-15
	\$	\$
9. NON-INTEREST BEARING LOANS		
Current		
Adani Global Pte Ltd (USD661m total facility, payable on demand)	792,757,571	411,736,274
Adani Global FZE (USD505m total facility, payable on demand)	608,438,031	484,517,946
	1,401,195,602	896,254,220

Unused facility of at 31 March 2016 was USD93m (\$121.5m)

10. INTEREST BEARING LOANS

Current

Adani Minerals Pty Ltd		- 356,300,760
Mundra Port Pty Ltd (\$100 million facility with 4.25% interest, payable on demand)	22,249,287	94,161,980
Less:- Deferred borrowing costs	-	(1,292,581)
	22,249,287	449,170,159

Unused facility of at 31 March 2016 was \$77.8m.

11. CONTRIBUTED EQUITY

(a) Issued and paid up capital

- ordinary shares fully paid	8,693,556	8,693,556
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(b) Movement in ordinary shares on issue

- Opening Balance	8,693,556	8,693,556
- Issued during the year	-	-
- End of financial year	8,693,556	8,693,556

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.

12. ACCUMULATED LOSSES

Movement in accumulated losses were as follows:

- Balance at the beginning of the year	(238,996,231)	(53,629,556)
- Profit/(loss) for the period	3,354,466	(185,366,675)
- Balance at the end of year	(235,641,765)	(238,996,231)

ADANI MINING PTY LTD
NOTES TO THE FINANCIAL STATEMENTS
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13. STATEMENT OF CASH FLOWS	31-Mar-16	31-Mar-15
<i>(a) Reconciliation of operating profit after tax to net cash flows from operating activities</i>	\$	\$
Loss after income tax	3,354,466	(185,366,675)
<i>Adjustments for:</i>		
Foreign exchange (gain)/loss	(9,740,389)	197,110,170
Loss on disposal of property, plant and equipment	2,289,163	-
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in receivables	(39,016)	(16,274,938)
Net cash (used in) operations	<u>(4,135,776)</u>	<u>(4,531,443)</u>
<i>(b) Reconciliation of cash and cash equivalents:</i>		
- Cash at bank and in hand	2,674,790	1,039,807
	<u>2,674,790</u>	<u>1,039,807</u>
<i>(c) Non-cash financing and investing activities</i>		

During the period the Company did not acquire any property, plant and equipment by means of finance lease.

14. COMMITMENTS

(a) Operating lease commitments

Future rental payments under non-cancellable operating leases at 31 March are as follows:

Within one year	879,403	1,442,107
After one year but not more than five years	2,007,115	2,886,518
After five years	-	-
Total minimum lease payments	<u>2,886,518</u>	<u>4,328,625</u>

(b) Capital expenditure commitments

Estimated capital expenditure contracted for at balance date but not provided for

Capital expenditure	9,729,272	22,121,228
Land	40,000,000	40,000,000
Total capital expenditure commitments	<u>49,729,272</u>	<u>62,121,228</u>

The Company entered into a Commercial Terms Sheet with Carmichael Rail Network Pty Ltd as trustee of Carmichael Rail Network Trust whereby it has agreed to provide access to a portion of Moray Downs land owned by the Company.

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15. CONTINGENT LIABILITIES

(a) EPC 1080 royalty

On 29 November 2011, the Company entered into a Royalty Deed ("the Deed") with Mineralogy Pty Ltd ("MPL") pursuant to entry of EPC 1080 Eastern Area deed. Inter alia, the Deed requires the Company to pay MPL \$2.00 per tonne for all tonnes of coal mined from the eastern area of EPC 1080 (as defined in the Deed). The Royalty amount will be reduced by \$0.50 per tonne if paid within 14 Business Days after the end of each Quarter.

(b) Land Agreement

On 27 November 2011, the Company entered in to Mory downs Land Compensation agreement with Graeme William Acton and Even Rusell Acton, as per the agreement Company agreed (Inter Alia) to pay Acton the sum of AUD 18 million as compensation on the issue of Mining Leases N0 70441.

On 27 November 2011, the Company entered in to Rugby Run Corridor Land Compensation agreement with Graeme William Acton and Even Rusell Acton, Company was planning to build rail corridor on that land, as per the agreement Company agreed (Inter Alia) to pay Acton the sum of AUD 2 million as compensation on the issue of Mining Leases N0 70441.

The bankers of the Company have issued standby letter of credits as guarantee for the payment of above obligations.

	31 March 2016	31 March 2015
	\$	\$

16. AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors of Adani Mining Pty Ltd for:

- Audit of the financial report	32,500	33,900
- Other services	356,791	337,216
	389,921	371,116

17. SUBSEQUENT EVENTS

The Company received mining lease approvals in April 2016. There have been no other matters or circumstances that have arisen since the end of the financial year 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 period ended 31 March 2016.

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

As lead auditor for the audit of Adani Mining Pty Ltd for the financial year ended 31 March 2016, 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
Brisbane
11 May 2016



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Independent auditor's report to the members of Adani Mining Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report of Adani Mining Pty Ltd, which comprises the statement of financial position as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

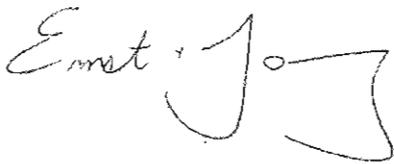
Opinion

In our opinion the financial report of Adani Mining Pty Ltd is in accordance with the *Corporations Act 2001*, including:

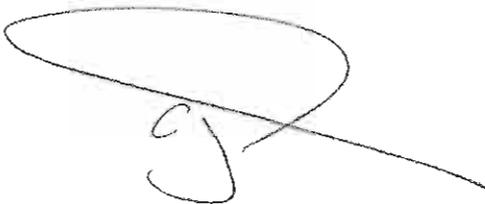
- a. giving a true and fair view of the company's financial position as at 31 March 2016, and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis of accounting

Without modifying our opinion, 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*. As a result, the financial report may not be suitable for another purpose.



Ernst & Young



Andrew Carrick
Partner
Brisbane
11 May 2016