

**ADANI MINERALS PTY LTD**  
**ACN: 151 649 740**

**SPECIAL PURPOSE FINANCIAL REPORT**

**YEAR ENDED 31 MARCH 2017**

**ADANI MINERALS PTY LTD  
DIRECTORS' REPORT  
YEAR ENDED 31 MARCH 2017**

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Your directors submit their report for the year ended 31 March 2017.

**Directors**

The names of the directors of the Company in office during the financial year and up to the date of this report are:

Samir Vora  
Praveen Khandelwal

**Corporate Information**

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

The Company's principal activity is mining related services in resource development for projects in Australia.

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

Level 25, 10 Eagle Street  
Brisbane, Queensland, Australia

**Company Secretary**

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

Rajesh Gupta

**Employees**

As at 31 March 2017, the Company had no employees.

**Results and Dividends**

The profit after tax for the Company for the year ended 31 March 2017 was \$51,237.

No dividend has been paid nor recommended.

**Significant Changes in the State of Affairs**

There were no significant changes in the state of affairs of the Company during the current financial year.

**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 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 2017 and up to the date of this report.

**Significant Events after the Balance Date**

There have been no 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 2017.

**Indemnification and Insurance of Directors**

During the financial year, a related party paid premiums in respect of Directors' and Officers' Liability Insurance contract. The insurance contract 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.

**ADANI MINERALS PTY LTD  
DIRECTORS' REPORT  
YEAR ENDED 31 MARCH 2017**

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**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**

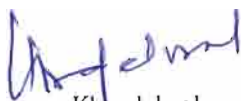
We have obtained an independence declaration from our auditor, Ernst & Young, as attached at page 15.

**Non-audit Services**

No non-audit services were provided by the Company's auditor, Ernst & Young.

Signed in accordance with a resolution of directors.

On behalf of the Board



Praveen Khandelwal  
Director

Brisbane, Queensland

12 May 2017

**ADANI MINERALS PTY LTD  
DIRECTORS' DECLARATION  
YEAR ENDED 31 MARCH 2017**

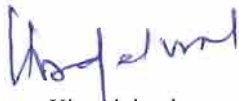
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In accordance with a resolution of the directors of Adani Minerals Pty Ltd, we state that:

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 2017 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



Praveen Khandelwal  
Director

Brisbane, Queensland  
12 May 2017

**ADANI MINERALS PTY LTD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2017**

	Notes	Year Ended 31-Mar-17 \$	Year Ended 31-Mar-16 \$
Revenue	2	-	8,433,110
Other income	3	73,710	160,076
General and administration expenses		(21,163)	(19,362)
Profit/ (loss) on disposal of plant and equipment		-	(631,687)
Depreciation		-	(78,367)
Foreign currency gain/(loss)		(912)	(56,527)
Finance costs		-	(8,436,798)
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		<b>51,635</b>	<b>(629,555)</b>
Income tax benefit/ (expense)	4	(398)	22,099
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>51,237</b>	<b>(607,456)</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be classified to profit or loss in subsequent period</i>			
Net gain on cash flow hedges		-	116,702
Reclassified to profit or loss		-	146,208
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (NET OF TAX)</b>		<b>51,237</b>	<b>(344,546)</b>

**ADANI MINERALS PTY LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	Notes	Year Ended 31-Mar-17 \$	Year Ended 31-Mar-16 \$
<b>CURRENT ASSETS</b>			
Cash at bank and on hand	10(b)	11,245	12,050
Other receivables	5	-	1,726
Due from a related party		1,574,412	1,518,331
<b>TOTAL CURRENT ASSETS</b>		<b>1,585,657</b>	<b>1,532,107</b>
<b>TOTAL ASSETS</b>		<b>1,585,657</b>	<b>1,532,107</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	9,000	8,001
Non-interest bearing loans	7	539,289	538,373
<b>TOTAL CURRENT LIABILITIES</b>		<b>548,289</b>	<b>546,374</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability		5,874	5,476
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,874</b>	<b>5,476</b>
<b>TOTAL LIABILITIES</b>		<b>554,163</b>	<b>551,850</b>
<b>NET ASSETS/ (LIABILITIES)</b>		<b>1,031,494</b>	<b>980,257</b>
<b>EQUITY</b>			
Contributed equity	8	1,500,000	1,500,000
(Accumulated losses)/Retained earnings	9	(468,506)	(519,743)
<b>TOTAL EQUITY</b>		<b>1,031,494</b>	<b>980,257</b>

**ADANI MINERALS PTY LTD**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 MARCH 2017**

	Notes	Year Ended 31-Mar-17 \$	Year Ended 31-Mar-16 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts for other income		15,000	160,076
Payments to suppliers		(18,434)	(27,457)
Interest received		-	9,371,372
Finance costs paid		-	(9,380,779)
Income tax received/(paid)		-	(35,333)
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>	10(a)	<b>(3,434)</b>	<b>87,879</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Repayment of advances to related parties		-	356,300,760
Proceeds from disposal of plant and equipment		-	180,726
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>356,481,486</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	(356,300,760)
Net movement in related party balances		2,629	(326,216)
Proceeds from equity raised		-	-
<b>NET CASH FLOWS (USED IN) FINANCING ACTIVITIES</b>		<b>2,629</b>	<b>(356,626,976)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(805)</b>	<b>(57,611)</b>
Add opening cash and cash equivalents brought forward		12,050	69,661
<b>CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	10(b)	<b>11,245</b>	<b>12,050</b>

**ADANI MINERALS PTY LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 MARCH 2017**

	<i>Ordinary shares</i>	<i>(Accumulated losses) / Retained earnings</i>	<i>Hedge reserve</i>	<i>Total</i>
	\$	\$	\$	\$
<b>At 31 March 2016</b>	1,500,000	(519,743)	-	980,257
Profit for the year	-	51,237	-	51,237
<b>Total comprehensive income</b>	-	51,237	-	51,237
<b>At 31 March 2017</b>	<b>1,500,000</b>	<b>(468,506)</b>	-	<b>1,031,494</b>

	<i>Ordinary shares</i>	<i>(Accumulated loss) / Retained earnings</i>	<i>Hedge reserve</i>	<i>Total</i>
	\$	\$	\$	\$
<b>At 31 March 2015</b>	1,500,000	87,713	(262,910)	1,324,803
Loss for the year	-	(607,456)	-	(607,456)
Fair value movement on cash flow hedges	-	-	262,910	262,910
<b>Total comprehensive income</b>	-	(607,456)	262,910	(344,546)
<b>At 31 March 2016</b>	<b>1,500,000</b>	<b>(519,743)</b>	-	<b>980,257</b>



**ADANI MINERALS PTY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The special purpose financial report of Adani Minerals Pty Ltd for the year ended 31 March 2017 was authorised for issue in accordance with a resolution of the Directors on 17 May 2017.

**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.

**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 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*.

The financial report complies with Australian Accounting Standards, except of the disclosure requirements of the pronouncements listed above.

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 2017.

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.

**ADANI MINERALS PTY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

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.

**ADANI MINERALS PTY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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) Plant and Equipment**

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 plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group 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.

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

- Plant and equipment 5 to 40 years

An item of 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 derecognition 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.

**h) 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.

**ADANI MINERALS PTY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) 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.

**j) 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 (i.e. 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.

**k) Foreign currency transactions**

The Company's 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.

**l) Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of the cash flows of recognised assets and liabilities ("cash flow hedges").

At inception, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been, and will continue to be, highly effective in offsetting future cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

**ADANI MINERALS PTY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

	Year ended 31-Mar-17 \$	Year ended 31-Mar-16 \$
<b>2. REVENUE</b>		
Interest income from Adani Mining Pty Ltd	-	8,433,110
	-	<b>8,433,110</b>
<b>3. OTHER INCOME</b>		
Equipment hire charges	-	110,076
Service charges	-	50,000
Others	73,710	-
	<b>73,710</b>	<b>160,076</b>
<b>4. INCOME TAX</b>		
<b>Accounting profit/(loss) before income tax</b>	51,635	(629,555)
At the statutory income tax rate of 30%	15,490	(188,867)
Previous year's adjustment	-	(1,615)
Tax losses utilised during the year	(15,092)	-
Tax losses not recognised	-	168,383
At the effective income tax rate of 3.5% (2014: 95.8%)	<b>398</b>	<b>(22,099)</b>
Major components of income tax expense for the year 31 March 2017 are:		
<b>Income tax expense</b>		
<i>Current income tax</i>		
Current income tax expense/ (benefit)	-	-
Previous year's adjustment	-	(1,615)
<i>Deferred income tax</i>		
Relating to the origination and reversal of temporary differences	398	(20,484)
	<b>398</b>	<b>(22,099)</b>

**ADANI MINERALS PTY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

	Year Ended 31-Mar-17 \$	Year Ended 31-Mar-16 \$
<b>5. OTHER RECEIVABLES</b>		
GST receivable	-	1,726
<b>6. TRADE AND OTHER PAYABLES</b>		
Other payables	9,000	8,001
<b>7. NON-INTEREST BEARING LOANS</b>		
<b>Current</b>		
Loan payable to Adani Mining Pty Ltd- repayable on demand (USD 10 million facility)	539,289	538,373
<b>8. CONTRIBUTED EQUITY</b>		
<i>(a) Issued and paid up capital</i>	1,500,000	1,500,000
<i>(b) Movement in ordinary shares on issue</i>	<b>No.</b>	<b>No.</b>
- Opening balance	1,500,000	1,500,000
- Issued during the year	-	-
- End of financial year	1,500,000	1,500,000
<b>9. (ACCUMULATED LOSSES)/ RETAINED EARNINGS</b>		
<i>Movement in retained earnings were as follows:</i>		
- Balance at the beginning of the year	(519,743)	87,713
- Profit/ (loss) for the year	51,237	(607,456)
- Balance at the end of year	(468,506)	(519,743)

**ADANI MINERALS PTY LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

10. STATEMENT OF CASH FLOWS	Year Ended 31-Mar-17 \$	Year Ended 31-Mar-16 \$
<i>(a) Reconciliation of operating profit after tax to net cash flows from operating activities;</i>		
(Loss)/Profit after income tax	51,237	(607,456)
<i>Adjustments for:</i>		
Depreciation	-	78,367
Unrealised foreign exchange loss	916	-
Loss/ (profit) on disposal of plant and equipment	-	631,687
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in receivables	(56,984)	1,002,107
Increase/(decrease) in trade and other payables	999	(950,630)
Increase/(decrease) in deferred taxes	398	(22,099)
Increase/(decrease) in income tax payable/(refund)	-	(44,097)
<b>Net cash (used in) operations</b>	<b>(3,434)</b>	<b>87,879</b>
<i>(b) Reconciliation of cash and cash equivalents:</i>		
- Cash at bank and in hand	11,245	12,050
	<b>11,245</b>	<b>12,050</b>

**11. COMMITMENTS**

As at 31 March 2017 there were no known capital commitments.

**12. AUDITORS' REMUNERATION**

Amounts received or due and receivable by the auditors of Adani Minerals Pty Ltd for auditing the accounts

9,000	8,000
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**13. SUBSEQUENT EVENTS**

There have been no 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 2017.

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

As lead auditor for the audit of Adani Minerals Pty Ltd for the financial year ended 31 March 2017, 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  
12 May 2017



## Independent Auditor's Report to the Members of Adani Minerals Pty Ltd

### Opinion

We have audited the financial report, being a special purpose financial report, of Adani Minerals Pty Ltd (the "Company"), which comprises the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, 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 2017 and of its financial 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 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

We draw attention to Note 1 to the financial statements, 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. 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 and have determined that the basis of preparation described in Note 1 to the financial statements 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 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

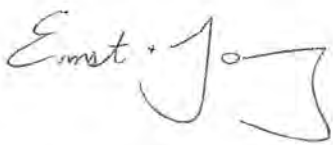
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.

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  
12 May 2017