

ADANI MINING PTY LTD

A.C.N. 145 455 205

**CONSOLIDATED REDUCED
DISCLOSURE
FINANCIAL REPORT**

**FOR THE YEAR ENDED
31 MARCH 2019**

Adani Mining Pty Ltd

Contents

Directors' report.....	3
Auditor's independence declaration.....	5
Consolidated statement of comprehensive income.....	6
Consolidated balance sheet.....	7
Consolidated statement of changes in equity.....	8
Consolidated statement of cash flows.....	9
Notes to the consolidated financial statements.....	10
Directors' declaration.....	28
Independent auditor's report.....	29

Adani Mining Pty Ltd

Directors' report

Year ended 31 March 2019

Your directors submit their report on the consolidated entity comprising Adani Mining Pty Ltd (the "Company") and the entities it controlled at the end of, or during the year ended 31 March 2019. Throughout the report, the consolidated entity is referred to as the "Group".

DIRECTORS

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

Gerald Frank Grove-White (resigned 1 April 2019)
Harsh Mishra (resigned 11 March 2019)
Jeyakumar Janakaraaj
Samir Vora
Douglas Ritchie (appointed 11 April 2019)

COMPANY SECRETARY

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

Rajesh Gupta

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, 10 Eagle Street
Brisbane, Queensland, Australia.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was exploration and evaluation and project development activities of coal mining tenements in Queensland, Australia.

DIVIDENDS

No dividend has been paid or recommended during the financial year (2018: \$nil).

REVIEW OF OPERATIONS

During the year ended 31 March 2019, the Group has been working on the negotiation of key contracts and redesign of project delivery strategies. Further, apart from working through the approval of management plans and other similar approvals, the Group has been responding to legal challenges brought with respect to decisions already made by relevant authorities.

The loss after tax for the Group for the year ended 31 March 2019 was \$273,560,605 (2018: \$3,315,147).

The reported loss after tax under Australian Accounting Standards (AAS) includes an impairment charge related to the Carmichael Mine project. Australian Accounting Standards disallow the presentation of extraordinary items in the Statement of Comprehensive Income or in the notes. Indian GAAP requires extraordinary items to be reported in the Statement of Comprehensive Income of an entity distinct from the ordinary income and expenses for the period. Due to the unique and unusual nature driving the impairment for the year as described in Note 12 of the financial statements, the matter is considered irregular and non-recurring. The Directors call attention to this matter to help ensure the transparency of financial reporting so that such matters not considered part of normal business operations are disclosed to users of the financial report. A reconciliation of the Australian Accounting Standards loss after tax to the adjusted loss after tax from ordinary operations (a non-AAS figure) is presented below:

Loss after tax (AAS)	273,560,605
less: extraordinary non-cash impairment	(128,000,000)
Adjusted loss after tax from ordinary operations (non-AAS)	<u>145,560,605</u>

Adani Mining Pty Ltd

Directors' report (continued)

Year ended 31 March 2019

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the matters detailed as part of our review of the Group's operation for the year ended 31 March 2019, there were no significant changes in the state of affairs of the Group during the current financial year.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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 Group's operations, the results of those operations or the Group's state of affairs in financial years after the financial year ended 31 March 2019.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group is currently awaiting approval of management plans. Upon approval of these plans, the construction activities will start to achieve production of coal in the FY 2021-22.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to State and Federal Environmental Legislative requirements. There were no material breaches or non-compliance with these requirements during the financial year ended 31 March 2019 and up to the date of this report.

INSURANCE OF DIRECTORS AND INDEMNITIES

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 Group. 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 Group 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 2019.

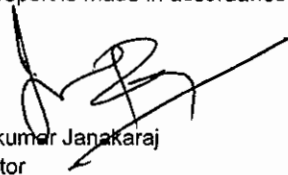
AUDITOR'S INDEPENDENCE DECLARATION

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

NON-AUDIT SERVICES

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.

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



Jeyakumar Janakaraj
Director

Brisbane, Queensland, 21 May 2019

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

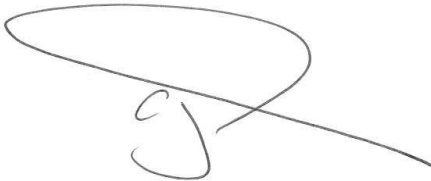
As lead auditor for the audit of the financial report of Adani Mining Pty Ltd for the financial year ended 31 March 2019, I declare to the best of my knowledge and belief, there have been:

- 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.

This declaration is in respect of Adani Mining Pty Ltd and the entities it controlled during the financial year.



Ernst & Young



Andrew Carrick
Partner
21 May 2019

Adani Mining Pty Ltd

Consolidated statement of comprehensive income

For the year ended 31 March 2019

		Year ended 31 March 2019	Year ended 31 March 2018
	Notes	\$	\$
Interest income		72,220	58,813
Other income	3	1,707,638	21,586,617
General and administration expenses	4	(14,792,217)	(10,134,534)
Impairment of the exploration and evaluation expenditures	12	(128,000,000)	(17,966,899)
Finance costs	5	(48,278)	(57,650)
Lease rental		(117,546)	(183,442)
Foreign exchange gain/(loss), net		(132,382,422)	3,381,948
Loss before tax		(273,560,605)	(3,315,147)
Income tax expense	6(a)	-	-
Loss for the year from continuing operations		(273,560,605)	(3,315,147)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to owners of the parent entity		(273,560,605)	(3,315,147)

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

Adani Mining Pty Ltd

Consolidated balance sheet

As at 31 March 2019

		31 March 2019	31 March 2018
	Notes	\$	\$
Assets			
Current assets			
Cash on hand and at bank	7	3,751,827	1,937,835
Restricted bank deposits	7	-	1,987,231
Other receivables	8	4,568,646	2,619,504
Due from related parties	9	21,389,728	3,404,058
Total current assets		29,710,201	9,948,628
Non-current assets			
Due from related parties	9	272,524,207	290,984,012
Property, plant and equipment	10	96,978,593	98,797,887
Security deposit	11	148,357,685	139,830,457
Exploration and evaluation assets	12	924,023,469	994,850,318
Total non-current assets		1,441,883,954	1,524,462,674
Total assets		1,471,594,155	1,534,411,302
Liabilities			
Current liabilities			
Trade and other payables	13	21,694,895	12,898,096
Non-interest bearing liabilities	14	1,796,209,678	1,492,678,751
Interest bearing liabilities	14	13,624,738	115,209,005
Total current liabilities		1,831,529,311	1,620,785,852
Non-current liabilities			
Other liabilities	15	147,180,000	147,180,000
Total non-current liabilities		147,180,000	147,180,000
Total liabilities		1,978,709,311	1,767,965,852
Net assets		(507,115,156)	(233,554,550)
Equity			
Equity attributable to equity holders of the parent entity			
Contributed equity	16	8,693,556	8,693,556
Accumulated losses		(515,808,712)	(242,248,106)
Total equity		(507,115,156)	(233,554,550)

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

Adani Mining Pty Ltd

Consolidated statement of changes in equity

For the year ended 31 March 2019

	Contributed equity	Accumulated losses	Total
	\$	\$	\$
For the year ended 31 March 2019			
At 1 April 2018	8,693,556	(242,248,106)	(233,554,550)
Loss for the year	-	(273,560,605)	(273,560,605)
Total comprehensive loss	-	(273,560,605)	(273,560,605)
At 31 March 2019	8,693,556	(515,808,712)	(507,115,156)
For the year ended 31 March 2018			
At 1 April 2017	8,693,556	(238,932,959)	(230,239,403)
Loss for the year	-	(3,315,147)	(3,315,147)
Total comprehensive loss	-	(3,315,147)	(3,315,147)
At 31 March 2018	8,693,556	(242,248,106)	(233,554,550)

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

Adani Mining Pty Ltd

Consolidated statement of cash flows

For the year ended 31 March 2019

	Year ended 31 March 2019	Year ended 31 March 2018
Notes	\$	\$
Cash flows from/(used in) operating activities		
Receipts from other income and cost reimbursements	745,574	5,287,289
Payments to suppliers and employees	(12,108,675)	(31,185,366)
Interest received	72,220	58,813
Borrowing costs	(48,278)	(57,650)
Net cash from/(used in) operating activities	(11,339,159)	(25,896,914)
Cash flows from/(used in) investing activities		
Payments for security deposits with 3rd parties	(8,527,228)	(1,830,457)
Payments for on-going exploration and evaluation and property, plant and equipment	(47,012,964)	(64,386,476)
Movement in restricted bank account	1,987,231	(1,531,539)
Novation payments received	-	46,000,000
Payment of security deposits to a related party	-	(46,000,000)
Net cash flows from/(used in) investing activities	(53,552,961)	(67,748,472)
Cash flows from/(used in) financing activities		
Proceeds from borrowings	66,706,112	95,381,557
Net cash flows from/(used in) financing activities	66,706,112	95,381,557
Net (decrease)/increase in cash at bank and on hand	1,813,992	1,736,172
Cash at bank and on hand at 1 April 2018	1,937,835	201,663
Cash at bank and on hand at 31 March 2019	3,751,827	1,937,835

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

Adani Mining Pty Ltd

Notes to the consolidated financial statements

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Adani Mining Pty Ltd acquired 100% of the equity shares of Galilee Biodiversity Company Pty Ltd on 15 January 2019. The financial statements are for the Group (the "Group") consisting of Adani Mining Pty Ltd (the "Company") and its subsidiaries for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 21 May 2019.

(a) Basis of preparation

(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 Group is a for-profit, private sector entity which is not publicly accountable. Therefore, the consolidated financial statements for the Group 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 been prepared on a historical cost basis and is presented in Australian dollars. The consolidated financial statements provide comparative information in respect of the previous year.

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity in the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 March 2019, the Group made a loss of \$273,560,605 (2018: \$3,315,147) and as at 31 March 2019, the Group had current liabilities exceeding its current assets by \$1,801,819,109 (2018: \$1,610,837,224). This is mainly due to the classification as current liabilities of the Group's related party borrowings (refer to Note 14).

The ability of the Group 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 Group would not be able to meet their debts as and when they fall due for a period not less than twelve months from the date of 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 Group for a period 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 contractual commitments for at least 12 months from the date of the authorisation of these financial statements.

(ii) *New and amended standards and interpretations*

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2018. The Group 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:

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

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

► AASB 15 *Revenue from Contracts with Customers*

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 18 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted AASB 15 using the full retrospective method of adoption. There were no transactions that were in scope of AASB 15 during the current and comparative period and therefore the new standard did not have an impact on the Group.

The Group did not apply any of the practical expedients.

► AASB 9 *Financial Instruments*

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* and brings together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB 9 retrospectively; however, the effect of the initial application was not material.

Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Group.

Impairment

The adoption of AASB 9 has changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. AASB 9 requires the Group to recognise an allowance for ECL's for all debt instruments not held at fair value through profit or loss and contract assets. The adoption of the impairment aspect of the new standard did not have a material impact on the Group.

Hedge accounting

The adoption of the hedge accounting aspect of the new standard did not have an impact on the Group.

► AASB Interpretation 22 *Foreign Currency Transactions and Advance Considerations*

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation has no impact on the Group's financial statements.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial report of the Group.

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) New standards and interpretations not yet adopted

► AASB 16 Leases

AASB 16 is effective for annual periods beginning on or after 1 January 2019 and sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group plans to adopt AASB 16 retrospectively to each prior reporting period presented. The Group will elect to apply the standard to contracts that were previously identified as leases applying AASB 117 and AASB Interpretation 4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying AASB 117 and AASB Interpretation 4.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease term ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Group is in the process of determining the impact of the standard on its financial statements.

(b) Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are fully consolidated.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation

The Group's functional currency is the Australian dollar, being the currency of the primary economic environment in which it operates. The consolidated financial statements are 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.

(d) 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.

Management fee

Management fee income is recognised over the year in which the service is provided.

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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 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 reporting date between the tax bases of assets and liabilities and their carrying amount for financial 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 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 Group 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 Group 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.

(f) 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 component of investing and financing activities, which are disclosed as operating cash flows.

(g) Cash at bank and on hand

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, which are as defined above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of receivables is reviewed on an ongoing basis.

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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.

(ii) 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 Group'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 Group'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.

(iii) 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 Group. The Group 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 Group'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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iv) Impairment of financial assets

The Group 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 Group 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 Group applies a simplified approach in calculating ECL's. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date.

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

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

(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 Group'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 Group. 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.

(j) 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 Group, 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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property, plant and equipment

Property, plant and equipment is 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 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 Statement of Comprehensive Income 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.

(l) Impairment of non-financial assets

The Group 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 Group 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.

(m) 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 Group prior to the reporting date that are unpaid and arise when the Group 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.

(n) Non-interest-bearing loans

The Group'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 Group, the lender can require the Group 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the 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 method.

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

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction and production of 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 the asset. All other borrowing costs are expensed in the period they occur.

Deferred borrowing costs are amortised over the life of the loan based on the effective interest method.

(q) 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.

2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

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 Group, 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 Group 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.

In accordance with its accounting policies and processes, each asset or CGU is evaluated annually to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Capitalisation and impairment of exploration and evaluation costs (continued)

In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the FVLCD for each CGU is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGUs using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, including any expansion projects, and its eventual disposal, based on the CGU five-year plans and latest life of mine (LOM) plans. These cash flows are discounted using a real post-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

Estimates included in assessing the CGU's recoverable amount including quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the planning process including LOM plans, five-year plans, one-year budgets and CGU-specific studies.

The determinations of FVLCD for each CGU are considered to be Level 3 fair value measurements in both years, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Impairment assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. In such circumstances, some or all of the carrying amount of the assets/CGUs may be further impaired or the impairment charge reduced with the impact recognised in the Statement of Comprehensive Income.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Deferred tax asset

A deferred tax asset is recognised for all temporary differences (including unused tax losses) to the extent 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.

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

	Year ended 31 March 2019	Year ended 31 March 2018
	\$	\$
3 OTHER INCOME		
Recovery of cost from related parties	893,203	14,565,964
Management fee from related parties	68,861	5,865,153
Miscellaneous income	745,574	1,155,500
	1,707,638	21,586,617
4 GENERAL AND ADMINISTRATION EXPENSES		
Employee costs	4,022,443	3,510,503
Legal fees	5,590	6,018
Other	10,764,184	6,618,013
	14,792,217	10,134,534
5 FINANCE COSTS		
Interest on bank loans	167	-
Bank charges	12,526	22,141
Other finance costs	35,585	35,509
	48,278	57,650
6 INCOME TAX		
(a) Numerical reconciliation of income tax expense to prima facie tax		
Accounting profit/(loss) before income tax	(273,560,605)	(3,315,147)
At Australia's statutory income tax rate of 30% (2018: 30%)	(82,068,181)	(994,544)
Non-deductible expenditure	38,408,320	19,516
Prior year adjustment	6,480,578	(4,560,518)
Tax losses not recognised	37,179,283	5,535,546
	-	-
(b) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	1,291,634,948	1,167,555,813
Potential tax benefit @ 30%	387,490,484	350,266,744

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

	31 March 2019	31 March 2018
	\$	\$
7 CASH AT BANK AND RESTRICTED BANK DEPOSITS		
Cash at bank and on hand	3,751,827	1,937,835
Restricted bank deposits*	-	1,987,231
	3,751,827	3,925,066

* Restricted Cash at bank represents bank deposit towards issue of bank guarantees.

8 OTHER RECEIVABLES

Advances paid and deposits	3,765,138	596,888
Other receivables	305,328	1,594,547
GST receivables	498,180	428,069
	4,568,646	2,619,504

9 DUE FROM RELATED PARTIES

Current

Other related party receivables	20,934,728	2,989,889
Advances to employees	455,000	414,169
	21,389,728	3,404,058

Non-current

Non-interest bearing amounts due from related parties*	118,854,946	290,984,012
Interest bearing amount due from related parties *	153,669,261	-
	272,524,207	290,984,012

* Amounts due from related parties are repayable on demand. Non-interest bearing loans include \$581,673 (US\$412,232) denominated in US dollars. The interest bearing loan (US\$108,905,405) is denominated in US dollars and carries interest at LIBOR plus a margin of 6.5% per annum.

10 PROPERTY, PLANT AND EQUIPMENT

Land

At cost	88,398,043	88,398,043
Accumulated depreciation	-	-
Net carrying amount	88,398,043	88,398,043

Buildings

At cost	18,038,802	18,038,803
Accumulated depreciation	(9,731,658)	(7,965,770)
Net carrying amount	8,307,144	10,073,033

Plant and machinery

At cost	942,218	942,218
Accumulated depreciation	(778,085)	(752,114)
Net carrying amount	164,133	190,104

Furniture, fittings and equipment

At cost	793,754	782,283
Accumulated depreciation	(684,481)	(662,668)
Net carrying amount	109,273	119,615

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

	31 March 2019	31 March 2018
	\$	\$
10 PROPERTY, PLANT AND EQUIPMENT (continued)		
<i>Vehicles</i>		
At cost	223,367	223,367
Accumulated depreciation	(223,367)	(206,274)
Net carrying amount	-	17,093
<i>Total property, plant and equipment</i>		
At cost	108,396,184	108,384,713
Accumulated depreciation	(11,417,591)	(9,586,826)
Net carrying amount	96,978,593	98,797,887
Reconciliation of carrying amounts at the beginning and end of the year		
<i>Land</i>		
Balance at the beginning of the year		
Net carrying amount	88,398,043	88,398,043
Additions during the year	-	-
Balance at the end of the year - Net carrying amount	88,398,043	88,398,043
<i>Buildings</i>		
Balance at the beginning of the year		
Net carrying amount	10,073,033	11,838,921
Depreciation charge for the year	(1,765,889)	(1,765,888)
Balance at the end of the year - Net carrying amount	8,307,144	10,073,033
<i>Plant and machinery</i>		
Balance at the beginning of the year		
Net carrying amount	190,104	227,746
Depreciation charge for the year	(25,971)	(37,642)
Balance at the end of the year - Net carrying amount	164,133	190,104
<i>Furniture, fittings and equipment</i>		
Balance at the beginning of the year		
Net carrying amount	119,615	118,703
Additions during the year	11,471	75,839
Depreciation charge for the year	(21,813)	(74,927)
Balance at the end of the year - Net carrying amount	109,273	119,615
<i>Vehicles</i>		
Balance at the beginning of the year		
Net carrying amount	17,093	61,766
Depreciation charge for the year	(17,093)	(44,673)
Balance at the end of the year - Net carrying amount	-	17,093
<i>Total Property, plant and equipment</i>		
Balance at the beginning of the year		
Net carrying amount	98,797,887	100,645,179
Additions during the year	11,471	75,839
Depreciation charge for the year	(1,830,765)	(1,923,131)
Balance at the end of the year - Net carrying amount	96,978,593	98,797,887

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

	31 March 2019	31 March 2018
	\$	\$
11 SECURITY DEPOSIT		
Security deposit paid to a related party (Refer to Note 15)	138,000,000	138,000,000
Other	10,357,685	1,830,457
	148,357,685	139,830,457

12 EXPLORATION AND EVALUATION ASSETS

(a) This relates to capitalised exploration and evaluation of ML70441 (formerly EPC1690) and ML505 and ML506 (formerly EPC 1080). Consistent with Note 1(j), 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 year:

At the beginning of the year	994,850,318	984,306,750
- Net amounts paid and payable in respect of the on-going exploration and evaluation of ML70441, ML505, and ML506	47,415,978	24,900,910
- Provision for impairment*	(128,000,000)	(17,966,899)
- Capitalised interest	9,757,173	3,809,558
At the end of the year	924,023,469	994,850,318

* In the current year, as a result of the continued delay in the project, the Group recognised a write-down of exploration and evaluation assets of \$128 million (2018: \$17.97 million) as an impairment loss. The recoverable amount of the Carmichael project CGU, which includes mine and rail, was based on management's estimate of fair value less cost to disposal (FVLCD).

The Carmichael project is a very large scale project which is unique in nature and involves developing a frontier basin (the Galilee Basin).

The determination of FVLCD is most sensitive to the following key assumptions:

- Long term coal prices
- Discount rates
- Exchange rates
- Timing of project development

The long term coal prices forecast and the exchange rates are based on management's estimates and are based on the external third party forward curves. The coal prices were adjusted to arrive at appropriate consistent price assumption for the Group's product quality.

In calculating FVLCD, a post tax discount rate of 14% was applied to the post tax cash flows. The discount rate is derived by taking into consideration the industry risk and the expected return on investment by a market participant.

The Carmichael project is developed in accordance to management's current timetable and first coal. A valuation of the CGU was undertaken by an independent expert, and the FVLCD is within the range of this valuation.

Having assessed the cumulative carrying amount of the CGU exceeded its FVLCD, management assessed if individual assets or asset classes within the CGU were physical or technically obsolete or damaged. As a consequence of the protracted regulatory approval process including various legal challenges, the Group has been required to duplicate various studies, re-design various elements of the Carmichael project and incur additional labour costs including changing the rail scope from standard gauge to a narrow gauge line (held by a related party). In allocating the impairment, management has identified the capitalised costs associated with these asset classes across the CGU impaired the duplicated costs and capitalised amounts associated with superseded studies, design plans and associated labour. In impairing these assets and capitalised costs, the total impairment was able to be allocated across the CGU, with no further proportionate allocation required.

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

	31 March 2019	31 March 2018
	\$	\$
13 TRADE AND OTHER PAYABLES		
Trade creditors and accruals	3,694,951	7,162,896
Amounts due to related parties*	1,587,079	2,042,440
Accrued interest due to related party	9,888,059	130,885
Other payables	6,524,806	3,561,875
	21,694,895	12,898,096

*Amounts due to related parties are non-interest bearing and repayable on demand.

14 BORROWINGS

Current non-interest bearing liabilities

Loan due to related parties (repayable on demand)	1,796,209,678	1,492,678,751
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Current interest bearing liabilities

Loan due to related parties (repayable on demand)*	13,624,738	115,209,005
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* The interest bearing loan as at 31 March 2018 was denominated in US dollars (US\$88.3 million) and carried interest at LIBOR and a margin of 6.50% per annum.

15 OTHER LIABILITIES

Deferred reimbursement of costs*	138,000,000	138,000,000
Other	9,180,000	9,180,000
	147,180,000	147,180,000

*On 31 October 2016, the Company entered into a Deed of Novation (Deed) with Adani Abbot Point Terminal Pty Ltd (AAPT) and Queensland Coal Pty Ltd (QCPL), whereby QCPL agreed to assign its port capacity under a user agreement with AAPT to the Company for a consideration of \$138.0 million (plus GST). Total consideration received from QCPL in exchange for the Company assuming QCPL's obligation to AAPT under its user agreement has been recorded as a non-current liability, under deferred reimbursement of costs.

In a separate arrangement with AAPT, the Company agreed to make a payment of \$138.0 million as a security deposit towards the performance of its obligation under the user agreement. The security deposit is included in the Balance Sheet (refer to Note 11).

16 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

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.

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

17 INTERESTS IN OTHER ENTITIES

Subsidiaries

The Group's principal subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / country of incorporation	Principal activities	Ownership interest held by the Group	
			31 March 2019	31 March 2018
Galilee Transmission Holdings Pty Ltd	Australia	Act as a holding company	100%	100%
Galilee Transmission Pty Ltd	Australia	Act as a trustee entity	100%	100%
Galilee Transmission Holdings Trust	Australia	To develop transmission infrastructure	100%	100%
Galilee Biodiversity Company Pty Ltd	Australia	To act as a trustee entity	100%	-

Galilee Biodiversity Company Pty Ltd was registered and commenced operations on 15 January 2019.

18 RELATED PARTY DISCLOSURES

(a) Parent entities

The Group is controlled by the following entities:

Name	Type	Ownership interest	
		31 March 2019	31 March 2018
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 Group and Adani Enterprises Ltd, the ultimate parent during the financial year (2018: \$Nil).

(b) Subsidiaries

Interests in subsidiaries are set out in note 17.

(c) Key management personnel compensation

	Year ended 31 March 2019	Year ended 31 March 2018
	\$	\$
Total compensation	5,291,895	2,103,980

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

(d) 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.

Recharge of expenses	4,677,479	74,522,509
Miscellaneous income	962,064	21,238,113

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

18 RELATED PARTY DISCLOSURES (continued)

(d) Transactions with other related parties (continued)

Terms and conditions of transactions with related parties

► Recharges are based on agreements between parties.

(e) 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 2019	31 March 2018
	\$	\$
Current receivables		
Other related parties	20,934,728	2,989,889
Current payables		
Other related parties	1,587,079	2,042,440
(f) Loans to/from related parties		
(i) Loans to other Key Management Personnel		
Beginning of the year	414,169	506,083
Reclassification to other payables	127,745	-
Loans advanced	10,000	-
Payment received	(96,914)	(91,914)
Closing balance	455,000	414,169
(ii) Loans to other related parties		
Beginning of the year	290,984,012	179,628,959
Loans advanced	157,342,210	111,356,531
Movements in foreign exchange rates	22,299	-
Amounts settled	(175,824,314)	(1,478)
Closing balance	272,524,207	290,984,012
(iii) Loans from other related parties		
Beginning of the year	805,259,833	661,110,982
Loans advanced	768,853,450	145,000,131
Amounts settled	(778,853,609)	-
Movements in foreign exchange rates	403,427	(851,280)
Closing balance	795,663,101	805,259,833
(iv) Loans from Adani Global Pte Ltd (immediate parent entity)		
Beginning of the year	802,627,923	817,522,711
Loans advanced	1,014,171,315	8,462,245
Amounts settled	(802,627,923)	-
Movements in foreign exchange rates	-	(23,357,033)
Closing balance	1,014,171,315	802,627,923
(g) Security Deposit paid		
Beginning of the year	138,000,000	92,000,000
Paid during the year	-	46,000,000
Closing balance	138,000,000	138,000,000

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

19 PARENT ENTITY FINANCIAL INFORMATION

	31 March 2019	31 March 2018
	\$	\$
The individual financial statements for the parent entity show the following aggregate amounts:		
Balance sheet		
Current assets	29,795,444	10,015,383
Total assets	1,471,679,399	1,534,478,058
Current liabilities	1,831,528,301	1,620,784,843
Total liabilities	1,978,708,301	1,767,964,843
Owners' equity		
Contributed equity	8,693,556	8,693,556
Accumulated losses	(515,722,458)	(242,180,341)
Loss for the year	(273,542,116)	(3,294,619)
Total comprehensive loss	(273,542,116)	(3,294,619)

20 COMMITMENTS

	\$	\$
(a) Operating lease		
Future rental payments under non-cancellable operating leases at 31 March		
Within one year	1,686,189	2,341,453
After one year but not more than five years	1,131,295	2,817,489
Total minimum lease payments	2,817,484	5,158,942
(b) Capital expenditure commitments		
Estimated capital expenditure contracted for at balance date but not provided		
Capital expenditure	14,321,512	34,585,070
Land	20,000,000	20,000,000
Total capital expenditure commitments	34,321,512	54,585,070

The Company has 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.

Adani Mining Pty Ltd

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2019

21 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) EPC 1690 Royalty

On 10 August 2010, as part of the Company's acquisition of EPC 1690 (the "burdened tenement"), the Company entered into an Overriding Royalty Deed ("the Deed") with Linc Energy Limited ("Linc"). Inter alia, the Deed requires the Company to pay Linc \$2.00 per tonne (CPI adjusted) for all tonnes of coal extracted from the burdened tenement, with the exception of the first 400,000 tonnes mined in any one production year. Under the Deed, there is no minimum royalty payable to Linc and the royalty only becomes payable as and when coal is despatched from the burdened tenement. The Royalty is payable for a period of 20 years from the production date. During the year ended 31 March 2016, the Deed was assigned by Linc to Carmichael Rail Network Pty Ltd as trustee for Carmichael Rail Network Trust.

	31 March 2019	31 March 2018
	\$	\$
(c) Bank Guarantees		
Guarantees issued by the banks on behalf of Adani Mining Pty Ltd	2,919,192	1,957,738

22 SUBSEQUENT EVENTS

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 year ended 31 March 2019.

Adani Mining Pty Ltd

Directors' declaration

In the directors' opinion:

- (a) The consolidated financial statements and notes are in accordance with the *Corporation 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 consolidated entity's balance sheet as at 31 March 2019 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, and

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

On behalf of the Board



Jeyakumar Jariakaraj
Director

Brisbane, 21 May 2019

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

Opinion

We have audited the financial report of Adani Mining Pty Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 March 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 Group is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 March 2019 and of its consolidated 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 Group 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 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 and to meet Section 3CA of the Taxation Administration Act 1953. Our report is intended solely for Adani Mining Pty Ltd and its members and should not be used by parties other than Adani Mining Pty Ltd and its members. 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 Group'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 Group 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:

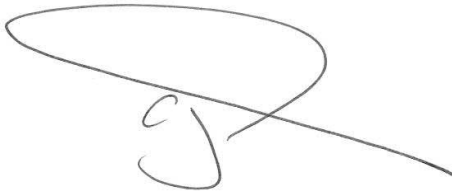
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Group'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 Group'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 Group 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
21 May 2019