

Consolidated statement of comprehensive income

For the year ended 31 March 2020

		2020	2019
	Notes	\$	\$
Revenue from contracts with customers		-	-
Finance income		-	-
		-	-
Expenses			
Consultancy fees		-	-
Contractor costs		-	-
Depreciation and amortisation		-	-
Electricity costs		-	-
Employee benefit expense		-	-
Insurance		-	-
Other operating expenses		-	-
Other general and administrative expenses		-	-
Finance expense		-	-
Profit before tax		-	-
Income tax expense		-	-
Profit/(loss) for the period		-	-
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period, net of tax		-	-

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

Consolidated statement of financial position

For the year ended 31 March 2020

		2020	2019
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		-	-
Trade and other receivables	3	19,517	-
Prepayments		10,000	-
Inventories		-	-
Income tax receivable		-	-
Total current assets		29,517	-
Non-current assets			
Goodwill		-	-
Property, plant and equipment	4	424,853	-
Intangible assets		-	-
Deferred tax assets		-	-
Other assets		-	-
Total non-current assets		424,853	-
Total assets		454,370	-
Liabilities			
Current liabilities			
Trade and other payables	5	403,260	-
Lease liabilities		-	-
Loan from related parties		-	-
Employee benefit liabilities		49,110	-
Income tax payable		-	-
Total current liabilities		452,370	-
Non-current liabilities			
Lease liabilities		-	-
Employee benefit liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		452,370	-
Net assets		2,000	-
Equity			
Issued capital	6	2,000	-
Retained earnings		-	-
Total equity		2,000	-

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 31 March 2020

	Issued capital (Note 11)	Retained earnings	Total equity
	\$	\$	\$
At 1 April 2019	-	-	-
Profit for the period	-	-	-
Other comprehensive income	-	-	-
Issue of share capital	2,000	-	2,000
Total comprehensive income	2,000	-	2,000
At 31 March 2020	2,000	-	2,000
At 1 April 2018	-	-	-
Loss for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive loss	-	-	-
At 31 March 2019	-	-	-

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

Consolidated statement of cash flows

For the year ended 31 March 2020

	2020	2019
	\$	\$
Operating Activities		
Receipts from Customers	-	-
Payments to suppliers and employees	-	-
Interest income received	-	-
Interest paid	-	-
Income Tax Paid	-	-
Net cash from (used in) operating activities	-	-
Investing Activities		
Purchase of property, plant and equipment	-	-
Purchase of intangible assets	-	-
Net cash outflow from investing activities	-	-
Financing Activities		
Payment of principal portion of lease liabilities	-	-
Net cash inflow from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at 31 March 2020	-	-

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

Notes to the consolidated financial statements

For the year ended 31 March 2020

1 Corporate information

The consolidated financial statements of Bowen Rail Company Pty Ltd (the 'Company') for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on 23 April 2020.

Bowen Rail Company Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia. The ultimate parent of the Company is Adani Ports and Special Economic Zone Limited ("APSEZ").

The registered office and nature of operations and principal activities are described in the directors' report.

2 Significant accounting policies

2.1 Basis of preparation

The financial report is a special purpose financial report and has been prepared for distribution to the members and to meet the directors' financial reporting requirements to the Company's ultimate parent entity, APSEZ.

The financial report is prepared for the purpose of providing financial information to APSEZ to enable it to prepare its consolidated financial report for the year ended 31 March 2020.

The directors have determined that in order for the financial report to meet the Company's financial reporting requirements to APSEZ and present fairly Group's financial position as at 31 March 2020 and its financial performance and cash flow for the year then ended, the requirements of the Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current period.

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

2.2 Going Concern

The ability of the Group to continue as a going concern is dependent upon the ongoing support of its shareholders. The ultimate parent company, APSEZ 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, APSEZ, 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

2 Significant accounting policies (continued)

2.2 Going Concern (continued)

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.

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.

2.3 Changes in accounting policies, disclosures, standards and interpretations

Accounting Standards and Interpretations issued but not yet effective

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 reporting period ended 31 March 2020. The directors have not early adopted any of these new or amended standards or interpretations.

2.4 Summary of significant accounting policies

(a) Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

For trade receivables, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(b) 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.

(c) Trade and other payables

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

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

2 Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(d) Taxes

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

3 Trade and other receivables

	2020	2019
	\$	\$
Current		
Trade Receivables	2,000	-
Other receivables	17,517	-
	<u>19,517</u>	<u>-</u>

4 Property, plant and equipment

	Property, plant and equipment	Office equipment	Works in Progress	Total
	\$	\$	\$	\$
Cost				
At 1 April 2019	-	-	-	-
Additions	-	-	424,853	424,853
Disposals	-	-	-	-
At 31 March 2020	<u>-</u>	<u>-</u>	<u>424,853</u>	<u>424,853</u>
Depreciation				
At 1 April 2019	-	-	-	-
Depreciation for the period	-	-	-	-
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
At 31 March 2020	<u>-</u>	<u>-</u>	<u>424,853</u>	<u>424,853</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5 Trade and other payables

	2020	2019
	\$	\$
Current		
Trade payables	403,260	-
Other payables (including contract liabilities)	-	-
	<u>403,260</u>	<u>-</u>

6 Issued Capital

	2020	2019
	\$	\$
101,000 authorised and fully paid ordinary shares (31 March 2019: 101,000)	<u>2,000</u>	<u>-</u>

Notes to the consolidated financial statements (continued)

For the year ended 31 March 2020

7 Related party disclosures

The following table provides the total amount of transactions that have been entered into with related parties for the year ended 31 March 2020.

		<u>Sales to related parties</u>	<u>Purchases from related parties</u>
		\$	\$
Ultimate parent group entities			
North West Rail Pty Ltd	31 March 2020	-	403,260
	31 March 2019	-	-

8 Contingencies

Contingent liabilities

The directors are not aware of any contingent liabilities or commitments at 31 March 2020 (31 March 2019: \$nil).

9 Subsequent events

Impact of the Coronavirus (COVID-19) outbreak

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

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

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

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

Directors' declaration

In accordance with a resolution of the directors of Bowen Rail Company Pty Ltd, I 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 Bowen Rail Company Pty Ltd for the year ended 31 March 2020.
 - (i) present fairly the Company's financial position as at 31 March 2020 and its performance for the year ended 31 March 2020 on that date; and
 - (ii) comply with Australian Accounting Standards to the extent described in note 2.1 to the consolidated financial statements
- (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


Trista Brohier (Apr 23, 2020)

Yi Shiu Trista Brohier
Director
23 April 2020



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Independent Auditor's Report to the Members of Bowen Rail Company Pty Ltd

Opinion

We have audited the financial reporting package, being a special purpose financial report, of Bowen Rail Company Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial reporting package presents fairly, in all material respects, the consolidated financial position of the Company as at 31 March 2020 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 2 to the financial reporting package.

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 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 reporting package 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 Distribution

We draw attention to Note 2 to financial reporting package which describes the basis of accounting. The financial reporting package is prepared for purpose of providing information to Adani Ports and Special Economic Zone Limited ("parent entity") to enable it to prepare the group financial statements. As a result, the financial reporting package may not be suitable for another purpose. Our report is intended solely for the Company and the parent entity (collectively the Recipients) and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.



Other Information

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

Our opinion on the financial reporting package 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 reporting package, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reporting package 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 Reporting Package

The directors of the Company are responsible for the preparation and fair presentation of the financial reporting package and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet Company's financial reporting requirements to its parent entity 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 and fair presentation of the financial reporting package that is free from material misstatement, whether due to fraud or error.

In preparing the financial reporting package, 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 Reporting Package

Our objectives are to obtain reasonable assurance about whether the financial reporting package 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 reporting package.

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:



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- Identify and assess the risks of material misstatement of the financial reporting package, 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 reporting package 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 reporting package, including the disclosures, and whether the financial reporting package 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
Brisbane
23 April 2020