

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of Surguja Power Private Limited**

### **Report on the Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying financial statements of Surguja Power Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for matters stated in Section 134(5) of the companies Act, 2013 (the "Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view, in order to design



audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 2, 2016 and May 12, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

### Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - iv. As company does not have cash balance or have dealt in cash during the year, there are no disclosure required to be made in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> December, 2016 to 30<sup>th</sup> December, 2016 and the same is reflected in Note 7 to the Ind AS financial statements.

For **M B D & Co LLP**  
Firm Registration Number: 135129W/W100152  
Chartered Accountants



*Bhavik K Shah*

**Bhavik K Shah**  
Partner  
Membership Number: 129674

Place: Ahmedabad  
Date: May 23, 2017

### **Annexure to Auditors' Report**

Referred to in Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Surguja Power Private Limited on the financial statements as of and for the year ended March 31, 2017

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable
- (c) Company does not own any immovable properties and thus the provision of clause 3(i)(c) of the said order are not applicable.
- ii) As the business of the Company has not yet commenced, it does not have inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company
- iii) The Company has not granted any loans secured or unsecured to any parties covered in the register mentioned under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) (a), (b) & (c) of the said Order are not applicable to the Company.
- iv) The company has complied with provisions of section 185 and 186 of the companies Act, 2013 in respect of loans, investments, guarantees and security.
- v) The Company has not accepted any deposits and thus reporting under clause 3(v) of the Order is not applicable to the Company.
- vi) According to the information and explanations given to us, as the company has not yet commenced the business operation, maintenance of cost records under clause 148(1) of the Companies Act, 2013 is not applicable to the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income tax, service tax, cess and other statutory dues, as applicable, with the appropriate authorities and there are no amount of statutory dues that were outstanding, at the period end, for a period of more than six months from the date they became payable. The company is not liable to pay Provident Fund, employees' State Insurance, sales tax and custom duty.
- (b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no amount outstanding with respect to income tax or sales tax or service tax or duty of excise or value added tax on account of any dispute.
- viii. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year nor have we been informed of any such case by the Management.
- xi. The Company has not paid or provided any managerial remuneration. Accordingly the provision of Clause 3(xii) of Order are not applicable to company



### **Annexure to Auditors' Report**

Referred to in Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Surguja Power Private Limited on the financial statements as of and for the year ended March 31, 2017

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xii. The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. All the transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. According to the information and explanations given to us and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or any person connected to him.

xvi. The company is not required to be registered under sections 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **M B D & Co LLP**

Firm Registration Number: 135129WW100152

Chartered Accountants



*Bhavik K Shah*

**Bhavik K Shah**

Partner

Membership Number: 129674

Place: Ahmedabad

Date: May 23, 2017

## **Annexure A to Auditors' Report**

Referred to in Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Surguja Power Private Limited on the financial statements as of and for the year ended March 31, 2017

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of Adani Bunkering Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in



## Annexure A to Auditors' Report

Referred to in Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Surguja Power Private Limited on the financial statements as of and for the year ended March 31, 2017

accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M B D & Co LLP**  
Firm Registration Number: 135129W/W100152  
Chartered Accountants,



*Bhavik K Shah*

**Bhavik K Shah**  
Partner  
Membership Number: 129674

Place: Ahmedabad  
Date: May 23, 2017

**Surguja Power Private Limited**  
Balance Sheet as at 31st March, 2017

**adani™**

Particulars	Notes	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
<b>ASSETS</b>				
<b>(1) Non-current Assets</b>				
(a) Property, Plant and Equipment	5	6,07,447	6,68,731	7,19,179
(b) Capital Work-In-Progress	5.1	6,17,10,500	4,85,47,157	2,85,18,443
<b>Total Non-current Assets</b>		<b>6,23,17,947</b>	<b>4,92,15,888</b>	<b>2,92,37,622</b>
<b>(2) Current Assets</b>				
(a) Financial Assets				
(i) Investments	6	12,00,337	11,41,102	-
(ii) Cash and Cash Equivalents	7	13,332	66,216	78,700
(iii) Other Financial Assets	8	3,800	3,800	3,800
<b>Total Current Assets</b>		<b>12,17,469</b>	<b>12,11,118</b>	<b>82,500</b>
<b>Total Assets</b>		<b>6,35,35,416</b>	<b>5,04,27,006</b>	<b>2,93,20,122</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	9	1,00,000	1,00,000	1,00,000
(b) Other Equity	10	(1,26,07,166)	(1,13,01,312)	(1,01,54,807)
<b>Total Equity</b>		<b>(1,25,07,166)</b>	<b>(1,12,01,312)</b>	<b>(1,00,54,807)</b>
<b>LIABILITIES</b>				
<b>(1) Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	11	-	-	3,89,01,395
<b>Total Non-current Liabilities</b>		<b>-</b>	<b>-</b>	<b>3,89,01,395</b>
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	12	7,19,15,170	6,00,86,916	-
(ii) Other Financial Liabilities	13	39,31,723	13,71,554	3,61,551
(b) Other Current Liabilities	14	1,72,619	1,69,848	1,11,983
(c) Current tax liabilities (net)	15	23,070	-	-
<b>Total Current Liabilities</b>		<b>7,60,42,582</b>	<b>6,16,28,318</b>	<b>4,73,534</b>
<b>Total Liabilities</b>		<b>7,60,42,582</b>	<b>6,16,28,318</b>	<b>3,93,74,929</b>
<b>Total Equity and Liabilities</b>		<b>6,35,35,416</b>	<b>5,04,27,006</b>	<b>2,93,20,122</b>

See accompanying notes to the financial statements

In terms of our report attached

For M B D & Co LLP

Chartered Accountants

Firm's Registration Number : 135129W/W100152

*Bhavik K. Shah*

Bhavik K. Shah

Partner

Membership No. 129674



For and on behalf of the board of directors of  
Surguja Power Private Limited

*K. S. Nagendra*

K. S. Nagendra

Director

DIN 06859146

*Kandarp Patel*

Kandarp Patel

Director

DIN 02947643

Place : Ahmedabad

Date : 23rd May, 2017

Place : Ahmedabad

Date : 23rd May, 2017



Surguja Power Private Limited

Statement of Profit and Loss for the year ended 31st March, 2017

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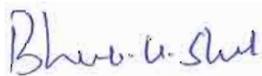
Particulars	Notes	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
<b>Expenses</b>			
Finance Costs	16	11,54,974	10,65,785
Other Expenses	17	1,26,189	80,720
<b>Total Expenses</b>		<b>12,81,163</b>	<b>11,46,505</b>
<b>Profit / (Loss) before tax</b>		<b>(12,81,163)</b>	<b>(11,46,505)</b>
<b>Tax Expense:</b>			
Current Tax	18	24,691	-
Deferred Tax		-	-
		<b>24,691</b>	<b>-</b>
<b>Profit / (Loss) after tax</b>	<b>Total A</b>	<b>(13,05,854)</b>	<b>(11,46,505)</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income		-	-
<b>Other Comprehensive Income (After Tax)</b>	<b>Total B</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>Total (A+B)</b>	<b>(13,05,854)</b>	<b>(11,46,505)</b>
<b>Earnings Per Equity Share (EPS)</b>			
Basic and Diluted EPS (₹)	22	(130.59)	(114.65)

See accompanying notes to the financial statements

in terms of our report attached

For M B D & Co LLP  
Chartered Accountants  
Firm's Registration Number : 135129W/W100152

For and on behalf of the board of directors of  
Surguja Power Private Limited



Bhavik K. Shah  
Partner  
Membership No. 129674




K. S. Nagendra  
Director  
DIN 06859146



Kandarp Patel  
Director  
DIN 02947643

Place : Ahmedabad  
Date : 23rd May, 2017

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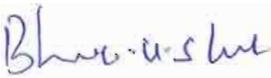
Particulars	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
<b>(A) Cash flow from operating activities</b>		
Profit / (loss) before tax as per Statement of Profit and Loss	(12,81,163)	(11,46,505)
Adjustment for:		
Interest Expenses	11,54,974	10,65,785
Operating profit before working capital changes	<b>(1,26,189)</b>	<b>(80,720)</b>
<b>Changes in working capital:</b>		
Increase in Other Current Liabilities	2,771	57,865
	<b>2,771</b>	<b>57,865</b>
<b>Cash generated from operations</b>	<b>(1,23,418)</b>	<b>(22,855)</b>
Less : Taxes Paid	(2,730)	-
<b>Net cash used in operating activities (A)</b>	<b>(1,26,148)</b>	<b>(22,855)</b>
<b>(B) Cash flow from investing activities</b>		
Capital Expenditure on Property Plant and Equipment including Capital Work-in-Progress and Capital Advance	(1,05,42,227)	(1,89,69,365)
Purchase of Current Investments (net)	(58,897)	(11,40,000)
<b>Net cash used in investing activities (B)</b>	<b>(1,06,01,124)</b>	<b>(2,01,09,365)</b>
<b>(C) Cash flow from financing activities</b>		
Proceeds from Short-term borrowings (Net)	1,06,74,388	2,01,19,736
<b>Net cash generated form financing activities (C)</b>	<b>1,06,74,388</b>	<b>2,01,19,736</b>
<b>Net decrease in cash and cash equivalents (A)+(B)+(C)</b>	<b>(52,884)</b>	<b>(12,484)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>66,216</b>	<b>78,700</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13,332</b>	<b>66,216</b>
<b>Notes to Cash flow Statement :</b>		
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 7)	13,332	66,216
	<b>13,332</b>	<b>66,216</b>

The Cash Flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.

See accompanying notes to the financial statements  
In terms of our report attached

For M B D & Co LLP  
Chartered Accountants  
Firm's Registration Number : 135129W/W100152

For and on behalf of the board of directors of  
Surguja Power Private Limited



Bhavik K. Shah  
Partner  
Membership No. 129674





K. S. Nagendra  
Director  
DIN 06859146



Kandarpatel  
Director  
DIN 02947643

Place : Ahmedabad  
Date : 23rd May, 2017

Place : Ahmedabad  
Date : 23rd May, 2017



## A. Equity Share Capital

Particulars	No. Shares	(Amount in ₹)
Balance as at 1st April, 2015	10,000	1,00,000
Changes in equity share capital during the year :	-	-
<b>Balance as at 31st March, 2016</b>	<b>10,000</b>	<b>1,00,000</b>
Changes in equity share capital during the year :	-	-
<b>Balance as at 31st March, 2017</b>	<b>10,000</b>	<b>1,00,000</b>

## B. Other Equity

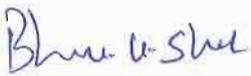
(Amount in ₹)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1st April, 2015	(1,01,54,807)	(1,01,54,807)
Profit / (Loss) for the year	(11,46,505)	(11,46,505)
Other comprehensive income	-	-
<b>Total Comprehensive Income for the year</b>	<b>(11,46,505)</b>	<b>(11,46,505)</b>
<b>Balance as at 31st March, 2016</b>	<b>(1,13,01,312)</b>	<b>(1,13,01,312)</b>
Balance as at 1st April, 2016	(1,13,01,312)	(1,13,01,312)
Profit / (Loss) for the year	(13,05,854)	(13,05,854)
Other comprehensive income	-	-
<b>Total Comprehensive Income for the year</b>	<b>(13,05,854)</b>	<b>(13,05,854)</b>
<b>Balance as at 31st March, 2017</b>	<b>(1,26,07,166)</b>	<b>(1,26,07,166)</b>

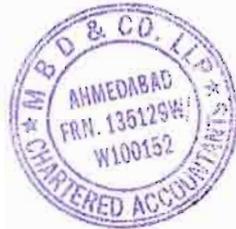
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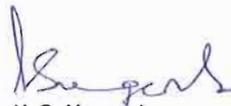
For M B D & Co LLP  
Chartered Accountants  
Firm's Registration Number : 135129W/W100152



Bhavik K. Shah  
Partner  
Membership No. 129674



For and on behalf of the board of directors of  
Surguja Power Private Limited



K. S. Nagendra  
Director  
DIN 06859146



Kandarip Patel  
Director  
DIN 02947643

Place : Ahmedabad  
Date : 23rd May, 2017

Place : Ahmedabad  
Date : 23rd May, 2017



**1 Corporate Information**

Surguja Power Private Limited (SPPL) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The company is in the process of setting up 600 MW (150 MW x 4 units) Thermal Power Plant based on CFBC Boiler using the Coal washery rejects at Dist. Surguja, Chhattisgarh.

**2 Significant accounting policies****2.1.a Statement of compliance**

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act. The Financial Statements up to year ended March 31, 2016 were prepared in accordance with Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provision of the Act. These Financial Statements are the first Financial Statements of the Company under Ind AS. Refer Note 4 for an explanation of how the transition from previously applicable Indian GAAP (hereinafter referred to as 'IGAAP') to Ind AS has affected the Company's financial position, financial performance and Cash Flows.

**2.1.b Standards Issued but not yet Effective:**

Ind - AS 115 "Revenue from Contract with Customers" :The MCA had notified Ind - AS 115 "Revenue from Contract with Customers" in February, 2015. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

**2.2 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**2.3 Summary of significant accounting policies****a Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset.

Depreciation is recognised based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 except otherwise stated.



**b Financial Instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**c Financial assets**

**Initial recognition and measurement**

All financial assets, except investment in subsidiaries and associates are recognised initially at fair value.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified:

**i) At amortised cost**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses. These include trade receivables, finance receivables, balances with banks, short-term deposits with banks, other financial assets and investments with fixed or determinable payments.

**ii) At fair value through profit or loss (FVTPL)**

Financial assets which are not measured at amortised cost are measured at FVTPL.

Fair value changes related to such financial assets including derivative contracts like forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, are recognised in the statement of profit and loss.

**Derecognition**

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**Impairment of Financial assets**

A financial asset is assessed at each reporting date to determine whether there is an objective evidence which indicates that it is impaired. A financial asset is considered to be impaired if an objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company applies expected credit loss (ECL) model for measurement of impairment loss on the following financial assets and credit risk exposure;

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cashflows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense / (income) in the statement of profit and loss.

**d Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.



**Financial liabilities**

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

**Financial liabilities at FVTPL**

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Fair value changes related to such financial liabilities including derivative contracts like forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, are recognised in the statement of profit and loss.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**e Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company- has identified twelve months as its operating cycle.

**f Fair value measurement**

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. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.



The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**g Revenue recognition**

Interest income is accounted for on an accrual basis. Dividend income is accounted for when the right to receive income is established.

**h Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**i Taxation**

Tax on Income comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**Current tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



**j Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

**k Impairment**

**i) Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**3 Significant accounting judgements, estimates and assumptions**

The preparation of the Company'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 periods.

**Estimates and assumptions**

The estimates as at 1st April, 2015 and as at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

There are no significant key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



**4.1 First-time adoption of Ind-AS**

The Company has adopted Ind AS from 1st April, 2016 and the date of transition to Ind AS is 1st April, 2015. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 –“First-time Adoption of Indian Accounting Standards”. The Company has presented a reconciliation of its equity under Previous GAAP to its equity under Ind AS as at 31st March, 2016 and of the total comprehensive income for the year ended 31st March, 2016 as required by Ind AS 101.

**a Deemed cost of property, plant and equipment and intangible assets:**

The Company has elected to continue with the carrying value of all its plant and equipment and intangible assets recognized as of 1st April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost on transition date.

**b Derecognition of financial assets and financial liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after transition date.

**c Classification and measurement of financial assets**

The Company has assessed classification and measurement of financial assets on the basis of facts and circumstances that exist as on transition date.

**d Impairment of financial assets**

The Company has applied impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.



## 4.2 Reconcilliations between previous GAAP and Ind AS

The following tables represent the reconciliations from previous GAAP to Ind AS as at 31st March, 2016 and 1st April, 2015.

## (i) Effects of Ind AS adoption on the balance sheet as at 31st March,2016 and 1st April,2015

(Amount in ₹)

Particulars	Notes	As on 31st March, 2016 (End of last period presented under previous GAAP)			As on 1st April, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	Ind AS balance sheet
<b>ASSETS</b>							
<b>(1) Non-current Assets</b>							
(a) Property, Plant and Equipment		6,68,731	-	6,68,731	7,19,179	-	7,19,179
(b) Capital Work-In-Progress		4,85,48,259	(1,102)	4,85,47,157	2,85,18,443	-	2,85,18,443
<b>Total Non-current Assets</b>		<b>4,92,16,990</b>	<b>(1,102)</b>	<b>4,92,15,888</b>	<b>2,92,37,622</b>	<b>-</b>	<b>2,92,37,622</b>
<b>(2) Current Assets</b>							
(a) Financial Assets							
(i) Investments		11,40,000	1,102	11,41,102	-	-	-
(ii) Cash and Cash Equivalents		66,216	-	66,216	78,700	-	78,700
(iii) Other Financial Assets		3,800	-	3,800	3,800	-	3,800
<b>Total Current Assets</b>		<b>12,10,016</b>	<b>1,102</b>	<b>12,11,118</b>	<b>82,500</b>	<b>-</b>	<b>82,500</b>
<b>Total Assets</b>		<b>5,04,27,006</b>	<b>-</b>	<b>5,04,27,006</b>	<b>2,93,20,122</b>	<b>-</b>	<b>2,93,20,122</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital		1,00,000	-	1,00,000	1,00,000	-	1,00,000
(b) Other Equity		(1,13,01,312)	-	(1,13,01,312)	(1,01,54,807)	-	(1,01,54,807)
		<b>(1,12,01,312)</b>	<b>-</b>	<b>(1,12,01,312)</b>	<b>(1,00,54,807)</b>	<b>-</b>	<b>(1,00,54,807)</b>
<b>LIABILITIES</b>							
<b>(1) Non-current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		-	-	-	3,89,01,395	-	3,89,01,395
<b>Total Non-current Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,89,01,395</b>	<b>-</b>	<b>3,89,01,395</b>
<b>(2) Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		6,00,86,916	-	6,00,86,916	-	-	-
(ii) Other Financial Liabilities		13,71,554	-	13,71,554	3,61,551	-	3,61,551
(b) Other Current Liabilities		1,69,848	-	1,69,848	1,11,983	-	1,11,983
<b>Total Current Liabilities</b>		<b>6,16,28,318</b>	<b>-</b>	<b>6,16,28,318</b>	<b>4,73,534</b>	<b>-</b>	<b>4,73,534</b>
<b>Total Liabilities</b>		<b>6,16,28,318</b>	<b>-</b>	<b>6,16,28,318</b>	<b>3,93,74,929</b>	<b>-</b>	<b>3,93,74,929</b>
<b>Total Equity and Liabilities</b>		<b>5,04,27,006</b>	<b>-</b>	<b>5,04,27,006</b>	<b>2,93,20,122</b>	<b>-</b>	<b>2,93,20,122</b>



## (ii) Reconciliation of changes in Equity as at 31st March 2016:

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 1st April, 2015
Equity Share Capital as per previous GAAP	1,00,000	1,00,000
Other Equity as per previous GAAP	(1,13,01,312)	(1,01,54,807)
Adjustments :	-	-
Total Adjustment to the Equity	(1,13,01,312)	(1,01,54,807)
Total Equity as reported under Ind AS	(1,12,01,312)	(1,00,54,807)

## (iii) Reconciliation of total comprehensive income for the year ended 31st March, 2016 :

(Amount in ₹)

Particulars	For the year ended 31st March, 2016
Profit as per previous GAAP	(11,46,505)
<u>Ind AS: Adjustments increase / (decrease):</u>	-
Total adjustment to profit or loss	-
Profit / (loss) under Ind AS	(11,46,505)
Other comprehensive income	-
Total comprehensive Income under Ind AS	(11,46,505)

## Effects of Ind AS adoption on the financial statements of comparative periods:

As there is no reconciliation item between Statement of Profit and Loss and Cash Flows prepared under Indian GAAP and those prepared under Ind AS, reconciliation for the same is not presented.



5 Property, Plant and Equipment and Capital Work-In-Progress :

(Amount in ₹)

Description of Assets	Tangible Assets			Capital Work-In-Progress (Refer Note 5.1)
	Plant and Equipment - Freehold	Furniture and Fixtures	Total	
<b>I. Cost or Deemed Cost</b>				
Balance as at 1st April, 2015	6,42,873	76,306	7,19,179	2,85,18,443
Additions	-	-	-	2,00,28,714
disposals	-	-	-	-
<b>Balance as at 31st March,2016</b>	<b>6,42,873</b>	<b>76,306</b>	<b>7,19,179</b>	<b>4,85,47,157</b>
Additions	-	-	-	1,31,63,343
disposals	-	-	-	-
<b>Balance as at 31st March,2017</b>	<b>6,42,873</b>	<b>76,306</b>	<b>7,19,179</b>	<b>6,17,10,500</b>
<b>II. Accumulated depreciation and impairment</b>				
Balance as at 1st April, 2015	-	-	-	-
Depreciation expense	42,280	8,168	50,448	-
Eliminated on disposal of assets	-	-	-	-
<b>Balance as at 31st March,2016</b>	<b>42,280</b>	<b>8,168</b>	<b>50,448</b>	<b>-</b>
Depreciation expense	51,279	10,005	61,284	-
Eliminated on disposal of assets	-	-	-	-
<b>Balance as at 31st March,2017</b>	<b>93,559</b>	<b>18,173</b>	<b>1,11,732</b>	<b>-</b>

Carrying value of Property, Plant and Equipment and Capital Work-In-Progress :

(Amount in ₹)

Description of Assets	Tangible Assets			Capital Work-In-Progress (Refer Note 5.1)
	Plant and Equipment - Freehold	Furniture and Fixtures	Total	
<b>Carrying Amount :</b>				
As at 1st April,2015	6,42,873	76,306	7,19,179	2,85,18,443
As at 31st March,2016	6,00,593	68,138	6,68,731	4,85,47,157
As at 31st March,2017	5,49,314	58,133	6,07,447	6,17,10,500

Notes :

1. Depreciation during the year Rs. 61284/- (Previous year Rs. 50,448/-) has been transferred to Expenditure during construction period.



5.1 Capital Work-In-Progress		As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
<b>Project Development Expenditure</b>				
Opening balance brought Forward	<b>Total (A)</b>	4,85,47,157	2,85,18,443	2,85,18,443
<b>(a) Expenses</b>				
Consultancy Services		76,85,934	1,57,80,225	-
Administrative and Office Expenses		2,10,228	3,07,359	-
Interest and Finance Charges		53,24,179	39,15,078	-
Depreciation		61,284	50,448	-
	<b>Total (a)</b>	<b>1,32,81,625</b>	<b>2,00,53,110</b>	-
<b>(b) Less : Other Income</b>				
Miscellaneous Income	<b>Total (b)</b>	1,18,282	24,396	-
	<b>Total (B) (a-b)</b>	<b>1,31,63,343</b>	<b>2,00,28,714</b>	-
	<b>Total (A + B)</b>	<b>6,17,10,500</b>	<b>4,85,47,157</b>	<b>2,85,18,443</b>
<b>6 Investments</b>				
<b>Investment in Mutual Funds (Unquoted)</b>				
Birla Sun Life Cash Plus-Direct-Growth*		12,00,337	11,41,102	-
	<b>Total</b>	<b>12,00,337</b>	<b>11,41,102</b>	-
* Unit 4593.56 as on 31st March, 2017 (As at 31st March, 2016 unit 4689.83)				
<b>7 Cash and Cash equivalents</b>				
Balances with banks				
In current accounts		13,332	66,216	78,700
	<b>Total</b>	<b>13,332</b>	<b>66,216</b>	<b>78,700</b>
<b>Notes:</b>				
As per the amendment to Schedule III of the Companies Act, 2013 by MCA notification G.S.R 308(E) dated 30th March 2017, every company is required to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. Since the company did not hold or transact in cash during the entire year, the said disclosure is not applicable.				
<b>8 Other Financial Assets</b>				
Security deposit		3,800	3,800	3,800
	<b>Total</b>	<b>3,800</b>	<b>3,800</b>	<b>3,800</b>



## 9 Share Capital

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Authorised Share Capital 10,000 Equity shares of Rs. 10/- each	1,00,000	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>
Issued, Subscribed and fully paid-up equity shares 10,000 Equity shares of Rs. 10/- each fully paid	1,00,000	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>

## a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

## Equity Shares

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)
At the beginning of the year	10,000	1,00,000	10,000.00	1,00,000	10,000	1,00,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

## b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

## c. Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company together with its nominees are as under:

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Adani Enterprises Limited (Holding Company with its nominees)	1,00,000	1,00,000	1,00,000

## d. Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. Shares	% holding in the class	No. Shares	% holding in the class	No. Shares	% holding in the class
Adani Enterprises Limited	10,000	100%	10,000	100%	10,000	100%
	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>

## 10 Other Equity

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Retained earnings (Refer Note below)	(1,26,07,166)	(1,13,01,312)	(1,01,54,807)
<b>Total</b>	<b>(1,26,07,166)</b>	<b>(1,13,01,312)</b>	<b>(1,01,54,807)</b>

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)
Retained earnings		
Opening Balance		(1,13,01,312)
Add : Profit / (Loss) for the year		(13,05,854)
Add : other Comprehensive Income		-
<b>Closing Balance</b>	<b>(1,26,07,166)</b>	<b>(1,13,01,312)</b>



**Surguja Power Private Limited**

Notes to financial statements for the year ended on 31st March, 2017

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11 Long Term Borrowings	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
<b>Unsecured Borrowings</b>			
Other Loans and Advances			
From Related Parties (Refer Note 24)	-	-	3,89,01,395
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,89,01,395</b>
12 Short-term Borrowings	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
<b>Unsecured Borrowings</b>			
Other Loans and Advances			
From Related Parties (Refer Note 24)	7,19,15,170	6,00,86,916	-
<b>Total</b>	<b>7,19,15,170</b>	<b>6,00,86,916</b>	<b>-</b>
<b>Notes:</b>			
Loans from related parties are repayable within one year from the date of agreement and carry an interest rate of 10%.			
13 Other Financial Liabilities	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Retention money payable	7,24,512	7,21,607	2,82,899
Capital Creditors	31,89,836	6,49,947	78,652
Other Payable	17,375	-	-
<b>Total</b>	<b>39,31,723</b>	<b>13,71,554</b>	<b>3,61,551</b>
14 Other Current Liabilities	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Statutory liabilities	1,72,619	1,69,848	1,11,983
<b>Total</b>	<b>1,72,619</b>	<b>1,69,848</b>	<b>1,11,983</b>
15 Current tax Liabilities (net)	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Income-tax payable	23,070	-	-
<b>Total</b>	<b>23,070</b>	<b>-</b>	<b>-</b>
16 Finance costs		For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
<b>Interest Expenses on :</b>			
Interest on Loans		11,53,865	10,65,785
Interest on Others		1,109	-
<b>Total</b>		<b>11,54,974</b>	<b>10,65,785</b>
17 Other Expenses		For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
Rates and Taxes		2,400	3,000
Legal & Professional Expenses		1,09,352	52,486
<b>Payment to Auditors</b>			
Statutory Audit Fees		14,437	14,477
Office Expenses		-	7,970
Miscellaneous Expenses		-	2,787
<b>Total</b>		<b>1,26,189</b>	<b>80,720</b>



**18 Income Tax**

The major components of income tax expense for the years ended 31st March, 2017 and 31st March, 2016 are:

Income Tax Expense :	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
<b>Current Tax:</b>		
Current Tax	21,961	-
Adjustment in respect of prior year	2,730	-
<b>Total</b>	<b>24,691</b>	<b>-</b>
	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
<b>Accounting profit / (loss) before tax</b>	<b>(12,81,163)</b>	<b>(11,46,505)</b>
<b>Income tax using the company's domestic tax rate @ 30.90%</b>	<b>(3,95,879)</b>	<b>(3,54,270)</b>
<b>Tax Effect of :</b>		
i) Income and Expenses not allowed under Income Tax	3,85,145	3,49,797
ii) Income from Mutual Fund	32,696	7,198
<b>Income tax recognised in profit and loss account at effective rate</b>	<b>21,961</b>	<b>2,730</b>
<b>Total Tax Expense for the year</b>	<b>21,961</b>	<b>2,730</b>

**19 Disclosures under MSMED Act :**

There are no Micro, Small and Medium Enterprises as defined in Micro, Small and medium enterprises development act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made.

**20 Commitments**

(to the extent not provided for)

Capital Commitment

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)
<b>Total</b>	<b>6,38,40,547</b>	<b>7,29,31,739</b>

- 21** W.e.f. 1st April, 2015, erstwhile holding company Adani Mining Private Limited has been merged with ultimate holding company Adani Enterprises Limited. Accordingly, all references to Adani Mining Private Limited in financials and notes to accounts have been replaced with Adani Enterprises Limited.



## 22 Pursuant to the Indian Accounting Standard 33 – Earning per Share, the disclosure is as under:

Basic and Diluted EPS	UOM	For the year ended on	For the year ended on
		31st March, 2017	31st March, 2016
Profit/ (Loss) attributable to equity shareholders	₹	(13,05,854)	(11,46,505)
Weighted average number of equity shares outstanding during the	No.	10,000	10,000
Nominal Value of equity share	₹	10.00	10.00
Basic and Diluted EPS	₹	(130.59)	(114.65)

## 23 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2017 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
<b>Financial Assets</b>				
Investments	-	12,00,337	-	12,00,337
Cash and Cash Equivalents	-	-	13,332	13,332
Other Financial Assets	-	-	3,800	3,800
<b>Total</b>	<b>-</b>	<b>12,00,337</b>	<b>17,132</b>	<b>12,17,469</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	7,19,15,170	7,19,15,170
Other Financial Liabilities	-	-	39,31,723	39,31,723
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,58,46,893</b>	<b>7,58,46,893</b>

b) The carrying value of financial instruments by categories as of 31st March, 2016 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
<b>Financial Assets</b>				
Investments	-	11,41,102	-	11,41,102
Cash and Cash Equivalents	-	-	66,216	66,216
Other Financial Assets	-	-	3,800	3,800
<b>Total</b>	<b>-</b>	<b>11,41,102</b>	<b>70,016</b>	<b>12,11,118</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	6,00,86,916	6,00,86,916
Other Financial Liabilities	-	-	13,71,554	13,71,554
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,14,58,469</b>	<b>6,14,58,469</b>

c) The carrying value of financial instruments by categories as of 1st April, 2015 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	-	78,700	78,700
Other Financial Assets	-	-	3,800	3,800
<b>Total</b>	<b>-</b>	<b>-</b>	<b>82,500</b>	<b>82,500</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	3,89,01,395	3,89,01,395
Other Financial Liabilities	-	-	3,61,551	3,61,551
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,92,62,946</b>	<b>3,92,62,946</b>

23.1 Investments as at 31st March, 2017 of Rs. 12,00,337 (as at 31st March, 2016 of Rs. 11,41,102 and as at 1st April, 2015 Nil.) fair value through Profit or Loss falls under the category of Level 2 in fair value hierarchy.

## 24 Related party transactions

## a) List of related parties and relationship

Description of relationship	Name of Related Parties
Ultimate Controlling Entity	S. B. Adani Family Trust
Immediate Holding Company	Adani Enterprises Limited

## b) Transaction with Related Parties :

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Immediate Holding	Immediate Holding
<b>Nature of Transaction with Related Parties :</b>		
Loan Taken	1,38,28,254	2,11,85,521
Loan Repaid Back	20,00,000	-
Interest Expenses on Loan	64,78,814	49,80,863

## c) Balances With Related Parties :

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
	Immediate Holding	Immediate Holding	Immediate Holding
<b>Balances With Related Parties :</b>			
Borrowings (Loan)	7,19,15,170	6,00,86,916	3,89,01,395

25 Approval of financial statements

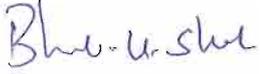
The financial statements were approved for issue by the board of directors on 23rd May, 2017.

In terms of our report attached

For M B D & Co LLP

Chartered Accountants

Firm's Registration Number : 135129W/W100152



Bhavik K. Shah

Partner

Membership No. 129674



Place : Ahmedabad

Date : 23rd May, 2017

For and on behalf of the board of directors of

Surguja Power Private Limited



K. S. Nagendra

Director

DIN 06859146

Place : Ahmedabad

Date : 23rd May, 2017



Kandarpatel

Director

DIN 02947643

