

M B D & Co LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Surguja Power Private Limited

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

Opinion

We have audited the accompanying financial statements of Surguja Power Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2020, 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.

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, 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

1007-1012, 10th Floor,
Tower-A, Ratnaakar Nine Square,
Opp. Keshavbaug Party Plot,
Vastrapur, Ahmedabad -380015
E: mail@mbdandco.com
T: +91 7947010909



M B D & Co LLP,
a Limited Liability Partnership
with LLP Identification No: AAC-6725

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

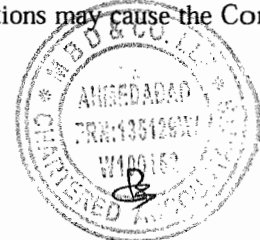
The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 SAs 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 these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, we give in the "Annexure A" 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 B".
 - (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;



INDEPENDENT AUDITORS' REPORT

To the Members of Surguja Power Private Limited

Report on the Financial Statements

Page 4 of 4

- 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, 2020.

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 02, 2020

UDIN: 20129674AAAADY3922



Annexure A 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, 2020

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. Accordingly, the provisions of Clause 3(iii) of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the company has not given any loan, guarantee and security to and on behalf of any of its directors as stipulated under section 185 and 186 of the companies Act, 2013.

v. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the companies (Acceptance of deposit) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, as the company has not yet commenced the business operation, Hence maintenance of cost records under clause 148(1) of the Companies Act, 2013 is not applicable to the company.

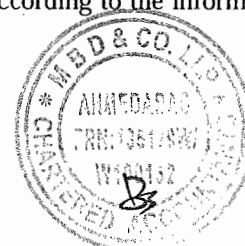
vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues of income tax with the appropriate authority and there is no amount of statutory dues that were outstanding, 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 and Goods and service tax.

(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 Goods and service tax on account of any dispute.

viii. According to the information and explanations given to us, the company has not taken any loan from any financial institution or banks or debenture holder. Hence, clause (viii) of paragraph 3 of the Order is not applicable.

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



Annexure A 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, 2020

Page 2 of 2

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

xii. The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order is 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 by the management, the company has not entered into any non-cash transactions with directors or any person connected to him as referred to in section 192 of the companies Act, 2013.

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: 135129W/W100152

Chartered Accountants

Bhavik K. Shah



Bhavik K Shah

Partner

Membership Number: 129674

Place: Ahmedabad

Date: May 02, 2020

UDIN: 20129674AAAADY3922

Annexure B 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, 2020

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 Surguja Power Private Limited ("the Company") as of March 31, 2020 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



Annexure B 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, 2020

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 accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un authorized 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, 2020 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 02, 2020

UDIN: 20129674AAAADY3922

Surguja Power Private Limited
Balance Sheet as at 31st March, 2020

adani

Particulars	Notes	As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	4	423,596	484,879
(b) Capital Work-In-Progress	4.1	65,532,390	65,471,107
Total Non-current Assets		65,955,986	65,955,986
Current Assets			
(a) Financial Assets			
(i) Investments	5	-	101,002
(ii) Cash and Cash Equivalents	6	62,052	326,133
(iii) Other Financial Assets	7	3,800	3,800
Total Current Assets		65,852	430,935
Total Assets		66,021,838	66,386,921
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	8	100,000	100,000
(b) Other Equity	9	(37,844,068)	(28,313,752)
Total Equity		(37,744,068)	(28,213,752)
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	103,473,922	94,337,218
(ii) Other Financial Liabilities	11	52,282	48,632
(b) Other Current Liabilities	12	238,267	214,823
(c) Current tax liabilities (net)	13	1,435	-
Total Current Liabilities		103,765,906	94,600,673
Total Liabilities		103,765,906	94,600,673
Total Equity and Liabilities		66,021,838	66,386,921

The notes referred above are an integral part of these 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

Partner

Membership No. 129674

UDIN: 20129674AAAADY3922

Place : Ahmedabad

Date : 02nd May, 2020

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

K. S. Nagendra

Director

DIN 06859146

Place : Ahmedabad

Date : 02nd May, 2020

Kandarp Patel

Director

DIN 02947643

Surguja Power Private Limited
Statement of Profit and Loss for the Year ended 31st March, 2020
adani

Particulars	Notes	For the Year ended 31st March, 2020 (Amount in ₹)	For the year ended 31st March, 2019 (Amount in ₹)
Income			
Revenue from Operations		-	-
Other Income	14	4,519	17,340
Total Income		4,519	17,340
Expenses			
Finance Costs	15	9,485,225	8,364,304
Other Expenses	16	43,924	129,122
Total Expenses		9,529,149	8,493,426
(Loss) before tax		(9,524,631)	(8,476,086)
Tax Expense:			
Current Tax	17	1,435	-
Adjustment in respect of prior year		4,250	-
Deferred Tax		-	-
		5,685	-
(Loss) after tax	Total A	(9,530,316)	(8,476,086)
Other Comprehensive Income			
Items that will not be reclassified to profit and loss		-	-
Remeasurement of defined benefit plans		-	-
Other Comprehensive Income (After Tax)	Total B	-	-
Total comprehensive (Loss) for the year	Total (A+B)	(9,530,316)	(8,476,086)
Earnings Per Equity Share (EPS)			
Basic and Diluted EPS (₹)	21	(953.03)	(847.61)

The notes referred above are an integral part of these 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

Bhavik K. Shah
Partner
Membership No. 129674

UDIN: 20129634AAADY3922

Place : Ahmedabad
Date : 02nd May, 2020



K. S. Nagendra

K. S. Nagendra
Director
DIN 06859146

Kandarp Patel

Kandarp Patel
Director
DIN 02947643

Place : Ahmedabad
Date : 02nd May, 2020

Surguja Power Private Limited
Statement of changes in equity for the Year ended 31st March, 2020
adani
A. Equity Share Capital

Particulars	No. Shares	(Amount in ₹)
Balance as at 1st April, 2018	10,000	100,000
Changes in equity share capital during the year :	-	-
Balance as at 31st March, 2019	10,000	100,000
Changes in equity share capital during the year :	-	-
Balance as at 31st March, 2020	10,000	100,000

B. Other Equity

Particulars	Reserves and Surplus	(Amount in ₹)
	Retained Earnings	Total
Balance as at 1st April, 2018	(19,837,666)	(19,837,666)
(Loss) for the year	(8,476,086)	(8,476,086)
Other comprehensive income for the year	-	-
Total Comprehensive (Loss) for the year	(8,476,086)	(8,476,086)
Balance as at 31st March, 2019	(28,313,752)	(28,313,752)
Balance as at 1st April, 2019	(28,313,752)	(28,313,752)
(Loss) for the year	(9,530,316)	(9,530,316)
Other comprehensive income for the year	-	-
Total Comprehensive (Loss) for the year	(9,530,316)	(9,530,316)
Balance as at 31st March, 2020	(37,844,068)	(37,844,068)

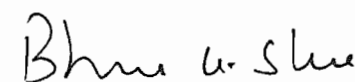
The notes referred above are an integral part of these financial statements.

In terms of our report attached

For M B D & Co LLP

Chartered Accountants

Firm's Registration Number : 135129W/W100152



Bhavik K. Shah

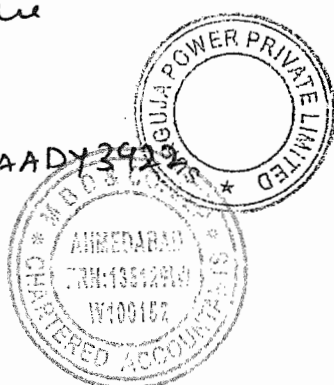
Partner

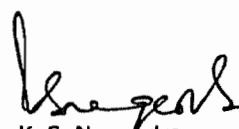
Membership No. 129674

UDIN: 20129674AAAADY3929

Place : Ahmedabad

Date : 02nd May, 2020

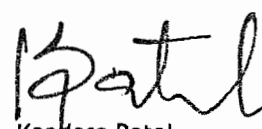

 For and on behalf of the board of directors of
Surguja Power Private Limited



K. S. Nagendra

Director

DIN 06859146



Kandarp Patel

Director

DIN 02947643

Place : Ahmedabad

Date : 02nd May, 2020

Surguja Power Private Limited

Statement of Cash Flow for the year ended 31st March, 2020

adani

Particulars	For the Year ended 31st March, 2020 (Amount in ₹)	For the year ended 31st March, 2019 (Amount in ₹)
(A) Cash flow from operating activities		
(Loss) before tax as per Statement of Profit and Loss	(9,524,631)	(8,476,086)
Adjustment for:		
Income from Mutual Fund	(4,519)	(17,340)
Interest Expenses	9,485,225	8,364,304
Operating profit before working capital changes	(43,924)	(129,122)
Changes in working capital:		
Increase in Other Current Liabilities	23,444	32,967
Increase in Other Financial Liabilities	3,651	-
	27,095	32,967
Cash generated from operations	(16,828)	(96,155)
Less : Taxes Paid	(4,250)	-
Net cash (used in) operating activities (A)	(21,078)	(96,155)
(B) Cash flow from investing activities		
Capital Expenditure on Property Plant and Equipment including Capital Work-in-Progress and Capital Advance	-	(6,499,060)
Sale of Current Investments (net)	105,521	282,774
Net cash (used in) investing activities (B)	105,521	(6,216,286)
(C) Cash flow from financing activities		
Proceeds from Short-term borrowings (Net)	600,000	6,613,569
Finance Costs Paid	(948,522)	-
Net cash generated form financing activities (C)	(348,522)	6,613,569
Net increase in cash and cash equivalents (A)+(B)+(C)	(264,079)	301,128
Cash and cash equivalents at the beginning of the year	326,133	25,005
Cash and cash equivalents at the end of the year	62,052	326,133
Notes to Cash flow Statement :		
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 6)	62,052	326,133
	62,052	326,133

Note :

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

2. Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative.

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for current period.

Changes in Liabilities arising from financing activities for the year

Particulars	(Amount in ₹)
Balance as at 31st March, 2019	94,337,218
Cash Flows	-348,522
Foreign Exchange Management	-
Other (Interest converted to ICD as on 31st March, 2020)	9,485,225
Balance as at 31st March, 2020	103,473,922

The notes referred above are an integral part of these financial statements.

In terms of our report attached

For M 8 D & Co LLP

Chartered Accountants

Firm's Registration Number : 135129W/W100152

Bhavik K. Shah

Bhavik K. Shah
Partner

Membership No. 129674

UDIN: 20124674AAAADY3922

Place : Ahmedabad

Date : 02nd May, 2020

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 : 02nd May, 2020

1 Corporate information

Surguja Power Private Limited (SPPL) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013 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.

Adani Enterprise Limited has acquired 100% equity share capital of the Company and registered office at Adani House, Shrimali Society Navrangpura Ahmedabad GJ 380009.

2 Significant accounting policies**2.1 Basis of preparation**

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.

These Financial statements have been prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The Financial Statements are presented in INR.

2.2 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 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**

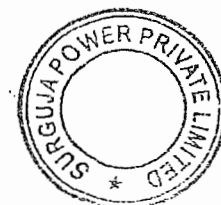
All financial assets, except investment in subsidiaries and associates are recognised initially at fair value.

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 cash flows 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

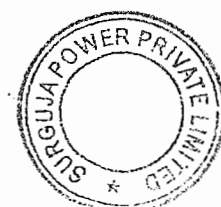
All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

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 of an entity is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

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.

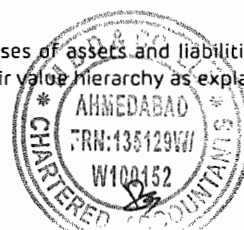
The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured, regardless of when the payment is being made.

Interest income is accounted for on 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.

Capitalisation of borrowing cost is suspended during extended period in which active development of a qualifying asset is suspended.

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.

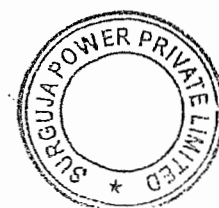
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible 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.

2.3 Standard issued but not effective :

The amendments to standards that are issued and new standards issued but not yet effective, up to the date of issuance of Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs ("MCA") has issued New IND AS and amendments to IND AS through (Indian Accounting Standards) Amendment Rules, 2019.

1. IND AS 117 - Insurance Contracts
2. IND AS 103 - Business Combination
3. IND AS 1, Presentation of Financial Statements and IND AS 8, Accounting Policies, Change in Accounting Estimates and Errors.
4. IND AS 40 - Investment Property

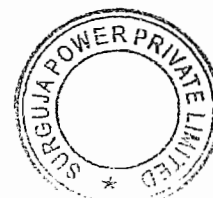
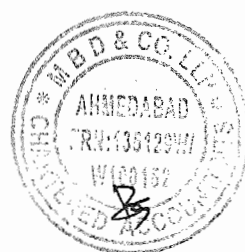
These amendments are effective for annual periods beginning on or after April 01, 2020.

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

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.

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

(Amount in ₹)

Description of Assets	Tangible Assets			Capital Work-In-Progress (Refer Note 4.1)
	Plant and Equipment	Furniture and Fixtures	Total	
I. Gross Block				
Balance as at 31st March,2018	642,873	76,306	719,179	65,405,663
Additions	-	-	-	65,444
disposals	-	-	-	-
Balance as at 31st March,2019	642,873	76,306	719,179	65,471,107
Additions	-	-	-	61,284
disposals	-	-	-	-
Balance as at 31st March,2020	642,873	76,306	719,179	65,532,391
II. Accumulated depreciation and impairment				
Balance as at 31st March,2018	144,838	28,178	173,016	-
Depreciation expense	51,279	10,005	61,284	-
Eliminated on disposal of assets	-	-	-	-
Balance as at 31st March,2019	196,117	38,183	234,300	-
Depreciation expense	51,279	10,005	61,284	-
Eliminated on disposal of assets	-	-	-	-
Balance as at 31st March,2020	247,395	48,188	295,583	-

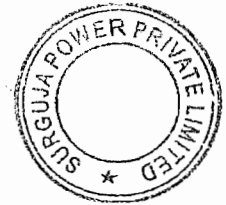
Carrying value of Property, Plant and Equipment and Capital Work-In-Progress :

(Amount in ₹)

Description of Assets	Tangible Assets			Capital Work-In-Progress (Refer Note 4.1)
	Plant and Equipment	Furniture and Fixtures	Total	
Carrying Amount :				
As at 31st March,2019	446,756	38,123	484,879	65,471,107
As at 31st March,2020	395,478	28,118	423,596	65,532,391

Notes :

1. Depreciation during the year ₹ 61,284/- (Previous year ₹ 61,284/-) has been transferred to Expenditure during construction period.



4.1 Capital Work-In-Progress

		As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Project Development Expenditure			
Opening balance brought Forward	Total (A)	65,471,107	65,405,663
(a) Expenses			
Depreciation		61,283	61,284
	Total (a)	61,283	61,284
(b) Less : Other Income			
Miscellaneous Income	Total (b)	-	(4,160)
	Total (B) (a-b)	61,283	65,444
	Total (A + B)	65,532,390	65,471,107

Note :

The Company has suspended capitalisation of borrowing costs from F.Y-2017-18 due to Suspension of active development of the qualifying assets.

5 Investments

		As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Investment at Fair Value thorough Profit and Loss			
Investment in Mutual Funds (Unquoted)			
Birla Sun Life Cash Plus-Direct-Growth*		-	101,002
	Total	-	101,002

* NIL as on 31st March, 2020 (Unit 336.186 as on 31st March, 2019)

6 Cash and Cash equivalents

		As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Balances with banks			
In current accounts		62,052	326,133
	Total	62,052	326,133

7 Other Financial Assets

		As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Security deposit		3,800	3,800
	Total	3,800	3,800



8 Equity Share Capital

	As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Authorised Share Capital 10,000 Equity shares of ₹ 10/- each	100,000	100,000
Total	100,000	100,000
Issued, Subscribed and fully paid-up equity shares 10,000 Equity shares of ₹ 10/- each fully paid	100,000	100,000
Total	100,000	100,000

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

Equity Shares

	As at 31st March, 2020		As at 31st March, 2019	
	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)
At the beginning of the year	10,000	100,000	10,000	100,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	100,000	10,000	100,000

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:

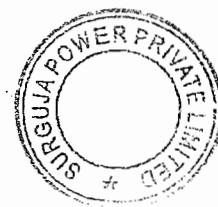
	As at 31st March, 2020		As at 31st March, 2019	
	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)
Adani Enterprises Limited (Holding Company with its nominees)	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000

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

	As at 31st March, 2020		As at 31st March, 2019	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Adani Enterprises Limited (Holding Company with its nominees)	10,000	100%	10,000	100%
	10,000	100%	10,000	100%

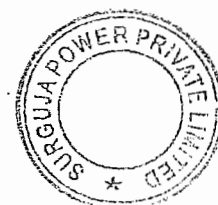
9 Other Equity

	As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Retained earnings		
Opening Balance	(28,313,752)	(19,837,666)
Add : (Loss) for the year	(9,530,316)	(8,476,086)
Closing Balance	(37,844,068)	(28,313,752)
Total		



Surguja Power Private Limited
Notes to financial statements for the Year ended 31st March, 2020
adani

10 Borrowings	As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Unsecured Borrowings		
From Related Parties (Refer Note 24)	103,473,922	94,337,218
Total	103,473,922	94,337,218
Note:		
Loan from Related Parties are repayable within one year from the date of agreement and carry the interest rate of 10% p.a.		
11 Other Financial Liabilities	As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Retention money payable	18,210	18,210
Capital Creditors	15,472	12,722
Other Payable	18,600	17,700
Total	52,282	48,632
12 Other Current Liabilities	As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Statutory liabilities (includes TDS)	238,267	214,823
Total	238,267	214,823
13 Current tax Liabilities	As at 31st March, 2020 (Amount in ₹)	As at 31st March, 2019 (Amount in ₹)
Income-tax payable	1,435	-
Total	1,435	-
14 Other Income	For the Year ended 31st March, 2020 (Amount in ₹)	For the year ended 31st March, 2019 (Amount in ₹)
Income from Mutual Fund	4,519	17,340
Total	4,519	17,340
15 Finance costs	For the Year ended 31st March, 2020 (Amount in ₹)	For the year ended 31st March, 2019 (Amount in ₹)
Interest on Loans	9,485,225	8,364,304
Total	9,485,225	8,364,304



16 Other Expenses	For the Year ended 31st March, 2020 (Amount in ₹)	For the year ended 31st March, 2019 (Amount in ₹)
Rates and Taxes	2,400	2,400
Legal & Professional Expenses	23,823	109,022
Payment to Auditors		
Statutory Audit Fees	17,700	17,700
Total	43,924	129,122

17 Income Tax

The major components of income tax expense for the years ended 31st March, 2020 and 31st March, 2019 are:

Income Tax Expense :

	For the Year ended 31st March, 2020 (Amount in ₹)	For the year ended 31st March, 2019 (Amount in ₹)
Current Tax:		
Current Tax	1,435	-
Adjustment in respect of prior year	4,250	-
Total	5,685	-

Deferred Tax

In respect of current year origination and reversal of temporary differences

Total (b)	-	-
Total (a+b)	5,685	-

	For the Year ended 31st March, 2020 (Amount in ₹)	For the year ended 31st March, 2019 (Amount in ₹)
Accounting profit / (loss) before tax	(9,524,631)	(8,476,086)
Tax Rate for Corporate Entity as per Income Tax Act, 1961	26.00%	26.00%
Income tax using the company's domestic tax rate	(2,476,404)	(2,203,782)
Tax Effect of :		
i) Current year losses for which no deferred tax asset is recognised	2,477,839	2,203,782
ii) Income-taxes related to prior years	-	-
Income tax recognised in profit and loss account at effective	1,435	-
Total Tax Expense for the year	1,435	-

18 Financial Risk objective and policies:

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk.

Credit Risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

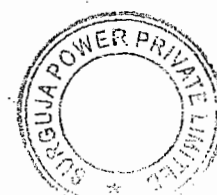
Liquidity Risk :

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from parent company.

Maturity profile of financial liabilities:

The table below provides details regarding contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

As at 31st March, 2020	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	103,473,922	-	-	103,473,922
Other Financial Liabilities	52,282	-	-	52,282



19 Capital Management

The Company's objectives for managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through support from parent company. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

No changes were made in the objectives, policies or processes for managing capital during the year ended as at 31st March, 2020 and as at 31st March, 2019.

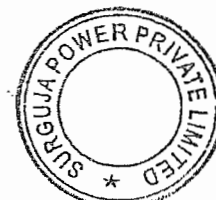
Particulars	For the Year ended 31st March, 2020	For the year ended 31st March, 2019
Net debt (total debt less cash and cash equivalents) (A)	103,411,870	94,011,085
Total Capital (B)	(37,744,068)	(28,213,752)
Total Capital and net debt C=(A+B)	65,667,802	65,797,333
Gearing Ratio (A/C)	1.57	1.43

20 Contingent liability & Capital commitment

There is no Contingent liability and capital commitment as on 31st March 2020.

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

	UOM	For the Year ended 31st March, 2020	For the year ended 31st March, 2019
Profit/ (Loss) attributable to equity shareholders	₹	(9,530,316)	(8,476,086)
Weighted average number of equity shares outstanding during the year	No.	10,000	10,000
Nominal Value of equity share	₹	10	10
Basic and Diluted EPS	₹	(953.03)	(847.61)



22 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2020 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
Financial Assets				
Investments	-	-	-	-
Cash and Cash Equivalents	-	-	62,052	62,052
Other Financial Assets	-	-	3,800	3,800
Total	-	-	65,852	65,852
Financial Liabilities				
Borrowings	-	-	103,473,922	103,473,922
Other Financial Liabilities	-	-	52,282	52,282
Total	-	-	103,526,204	103,526,204

b) The carrying value of financial instruments by categories as of 31st March, 2019 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
Financial Assets				
Investments	-	101,002	-	101,002
Cash and Cash Equivalents	-	-	326,133	326,133
Other Financial Assets	-	-	3,800	3,800
Total	-	101,002	329,933	430,935
Financial Liabilities				
Borrowings	-	-	94,337,218	94,337,218
Other Financial Liabilities	-	-	48,632	48,632
Total	-	-	94,385,850	94,385,850

23 Investments as at 31st March, 2020 of ₹ NIL (as at 31st March, 2019 of ₹ 1,01,002) 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
Parent Company	Adani Enterprises Limited
Key Management Personnel	Karri Sarinivasa Nagendra, Director Kandarp Suryakant Patel, Director Santosh Kumar Singh, Director

Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured. Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

Notes:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

b) Transaction with Related Parties :

(Amount in ₹)

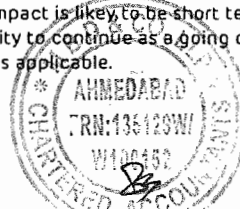
Name of Related Party	Nature of Transaction	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Adani Enterprise Limited	Loan Taken (Including Interest converted to Loan)	9,136,704	14,977,874
	Interest Expenses	9,485,225	8,364,304

c) Balances With Related Parties :

(Amount in ₹)

Name of Related Party	Nature of Closing Balance	As at 31st March, 2020	As at 31st March, 2019
Adani Enterprise Limited	Borrowings	103,473,922	94,337,218

25 Due to outbreak of COVID 19 globally and in India, The Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID 19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.



26 Approval of financial statements

The financial statements were approved for issue by the board of directors on 02nd May,2020

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

UDIN: 20129674AAAADY3922

Place : Ahmedabad

Date : 02nd May,2020



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 : 02nd May,2020

