

**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, 2021, 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, 2021, 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.

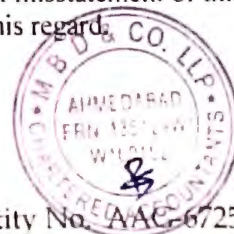
**Information Other than the financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





### **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.

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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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".



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To the Members of Surguja Power Private Limited  
Report on the Financial Statements  
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- (g) According to Information and explanation given to us and on the basis of our examination of the records of the company, managerial remuneration has not been paid/provided. Accordingly, reporting under section 197(16) of the Act is not applicable.
- (h) 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, 2021.

For **MBD & Co LLP**  
Firm Registration Number: 135129W/W100152  
Chartered Accountants

*Bhavik K Shah*

**Bhavik K Shah**  
Partner  
Membership Number: 129674  
Place: Ahmedabad  
Date: April 30, 2021  
UDIN: 21129674AAAAGN4508





#### **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, 2021

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) There were no undisputed amounts payable in respect of income tax and other statutory dues in arrear as at March 31, 2021 for a period more than six months from the date they became Payable.

(c) 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.



**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, 2021

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- 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
- 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 MBD & Co LLP**

Firm Registration Number: 135129W/W100152

Chartered Accountants

*Bhavik K Shah*

**Bhavik K Shah**

Partner

Membership Number: 129674

Place: Ahmedabad

Date: April 30, 2021

UDIN: 21129674AAAAGN4508





## **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, 2021

### **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, 2021 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, 2021

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 an 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, 2021 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, **MBD & Co LLP**

Firm Registration Number: 135129W/W100152

Chartered Accountants

*Bhavik K Shah*

**Bhavik K Shah**

Partner

Membership Number: 129674



Place: Ahmedabad

Date: April 30, 2021

UDIN: 21129674AAAAGN4508



**Surguja Power Private Limited**  
Balance Sheet as at 31st March, 2021

**adani**

Particulars	Notes	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	4	365,873	423,596
(b) Capital Work-In-Progress	4.1	30,635,739	65,532,390
<b>Total Non-current Assets</b>		<b>31,001,612</b>	<b>65,955,986</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	12,270	62,052
(ii) Other Financial Assets	6	3,800	3,800
<b>Total Current Assets</b>		<b>16,070</b>	<b>65,852</b>
<b>Total Assets</b>		<b>31,017,682</b>	<b>66,021,838</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	7	100,000	100,000
(b) Other Equity	8	(83,293,070)	(37,844,068)
<b>Total Equity</b>		<b>(83,193,070)</b>	<b>(37,744,068)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	113,964,544	103,473,922
(ii) Other Financial Liabilities	10	49,758	52,282
(b) Other Current Liabilities	11	194,084	238,267
(c) Current tax liabilities (net)	12	2,366	1,435
<b>Total Current Liabilities</b>		<b>114,210,752</b>	<b>103,765,906</b>
<b>Total Liabilities</b>		<b>114,210,752</b>	<b>103,765,906</b>
<b>Total Equity and Liabilities</b>		<b>31,017,682</b>	<b>66,021,838</b>

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*

**Bhavik K. Shah**  
Partner

Membership No. 129674



Place : Ahmedabad  
Date : 30th April, 2021

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

*K. S. Nagendra*  
*Handarp Patel*

**K. S. Nagendra**  
Director  
DIN 06859146

**Handarp Patel**  
Director  
DIN 02947643



Place : Ahmedabad  
Date : 30th April, 2021

## Surguja Power Private Limited

Statement of Profit and Loss for the year ended 31st March, 2021

adani

Particulars	Notes	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
<b>Income</b>			
Other Income	13	11,556	4,519
<b>Total Income</b>		<b>11,556</b>	<b>4,519</b>
<b>Expenses</b>			
Finance Costs	14	10,422,296	9,485,225
Depreciation and Amortisation Expenses	4	57,724	-
Other Expenses	15	34,978,158	43,924
<b>Total Expenses</b>		<b>45,458,178</b>	<b>9,529,149</b>
<b>(Loss) before tax</b>		<b>(45,446,622)</b>	<b>(9,524,631)</b>
<b>Tax Expense:</b>			
Current Tax	16	2,381	1,435
Adjustment in respect of prior year		-	4,250
		<b>2,381</b>	<b>5,685</b>
<b>(Loss) after tax</b>		<b>(45,449,003)</b>	<b>(9,530,316)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss		-	-
Remeasurement of defined benefit plans		-	-
<b>Other Comprehensive Income (After Tax)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (Loss) for the year</b>		<b>(45,449,003)</b>	<b>(9,530,316)</b>
<b>Earnings Per Equity Share (EPS)</b>			
Basic and Diluted EPS (₹)	20	(4,544.90)	(953.03)

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

In terms of our report attached

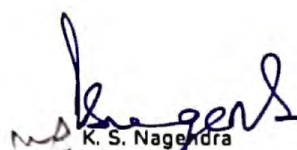
For M B D &amp; Co LLP

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. Nagesh  
Director  
DIN 06859146

  
Kandarp Patel  
Director  
DIN 02947643
Place : Ahmedabad  
Date : 30th April, 2021Place : Ahmedabad  
Date : 30th April, 2021



## A. Equity Share Capital

Particulars	No. Shares	(Amount in ₹)
Balance as at 1st April, 2019	10,000	100,000
Changes in equity share capital during the year :	-	-
Balance as at 31st March, 2020	10,000	100,000
Changes in equity share capital during the year :	-	-
Balance as at 31st March, 2021	10,000	100,000

## B. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
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)
Balance as at 1st April, 2020	(37,844,068)	(37,844,068)
(Loss) for the year	(45,449,002)	(45,449,002)
Other comprehensive income for the year	-	-
Total Comprehensive (Loss) for the year	(45,449,002)	(45,449,002)
Balance as at 31st March, 2021	(83,293,070)	(83,293,070)

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

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

Kandarp Patel  
Director  
DIN 02947643

Place : Ahmedabad  
Date : 30th April, 2021

Place : Ahmedabad  
Date : 30th April, 2021



Particulars	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
<b>(A) Cash flow from operating activities</b>		
(Loss) before tax as per Statement of Profit and Loss	(45,446,622)	(9,524,631)
Adjustment for:		
Income from Mutual Fund	(9,156)	(4,519)
Liabilities no longer required written back	(2,400)	
Depreciation and Amortisation Expense	57,724	
Capital expenditure Written Off	34,896,651	
Interest Expenses	10,422,296	9,485,225
Operating (loss) before working capital changes	(81,507)	(43,924)
<b>Changes in working capital:</b>		
(Decrease)/ Increase in Other Current Liabilities	(44,183)	23,444
(Decrease)/ Increase in Other Financial Liabilities	(124)	3,651
	(44,307)	27,095
<b>Cash (Used in) from operations</b>	(125,813)	(16,829)
Less: Taxes Paid	(1,450)	(4,250)
<b>Net cash (used in) from operating activities (A)</b>	(127,263)	(21,079)
<b>(B) Cash flow from investing activities</b>		
Sale of Current Investments (net)	9,156	105,521
<b>Net cash generated from investing activities (B)</b>	9,156	105,521
<b>(C) Cash flow from financing activities</b>		
(Repayment) / Proceeds from Short-term borrowings (Net)	68,326	600,000
Finance Costs Paid	-	(948,522)
<b>Net cash generated / (used in) from financing activities (C)</b>	68,326	(348,522)
<b>Net (Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	(49,781)	(264,079)
<b>Cash and cash equivalents at the beginning of the year</b>	62,052	326,133
<b>Cash and cash equivalents at the end of the year</b>	12,270	62,052
<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 5)	12,270	62,052
	12,270	62,052

**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 and previous period.

**Changes in liabilities arising from financing activities for the year ended 31st March, 2021**

Particulars	(Amount in ₹)
Balance as at 01st April, 2020	103,473,922
Cash Flows	68,326
Foreign Exchange Management	-
Other (Interest converted to ICD as on 31st March, 2021)	10,422,296
Balance as at 31st March, 2021	113,964,544

**Changes in liabilities arising from financing activities for the year ended 31st March, 2020**

Particulars	(Amount in ₹)
Balance as at 01st April, 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 attachedFor M B D & Co LLP  
Chartered Accountants  
Firm's Registration Number : 135129W/W100152Bhavik K. Shah  
Partner  
Membership No. 129674For and on behalf of the board of directors of  
Surguja Power Private LimitedK. S. Nandora  
Director  
DIN 06859146Kandarp Patel  
Director  
DIN 02947643Place : Ahmedabad  
Date : 30th April, 2021Place : Ahmedabad  
Date : 30th April, 2021



**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 Corporate House", Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421, 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 Corporate House", Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421

**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.

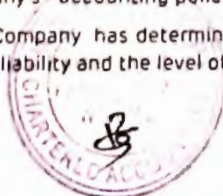
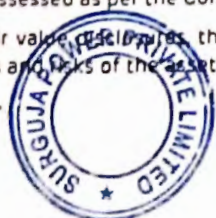
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 :**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

**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	
<b>I. Gross Block</b>				
Balance as at 01st April, 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	65,532,390
Additions	-	-	-	-
disposals	-	-	-	34,896,651
Balance as at 31st March, 2021	642,873	76,306	719,179	30,635,739
<b>II. Accumulated depreciation and impairment</b>				
Balance as at 01st April, 2019	196,117	38,183	234,300	
Depreciation charge for the year	51,279	10,005	61,284	
Eliminated on disposal of assets	-	-	-	
Balance as at 31st March, 2020	247,395	48,188	295,583	
Depreciation charge for the year	46,455	11,269	57,724	
Eliminated on disposal of assets	-	-	-	
Balance as at 31st March, 2021	293,850	59,457	353,307	

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	
<b>Carrying Amount :</b>				
As at 31st March, 2020	395,478	28,118	423,596	65,532,390
As at 31st March, 2021	349,023	16,849	365,872	30,635,739





4.1 Capital Work-In-Progress

		As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Project Development Expenditure			
Opening balance brought Forward	Total (A)	65,532,390	65,471,107
(a) Expenses			
Depreciation	Total(a)	-	61,283
(b) Less :			
Capital expenditure Written Off	Total(b)	34,896,651	-
	Total (B) (a-b)	(34,896,651)	61,283
	Total (A + B)	30,635,739	65,532,390

Note:

1) As there is no active development of project since past few years, During the year, Company has decided to re-assess value lying in Capital work in progress as at year end. Management assessed that on account of delay in project - services / value to the tune of Rs. 348,96,651/- will not add any value to the project when the same will be revived - these work has to be re-performed. For, balance of CWIP amounting to Rs. 306,35,739/-, management is of view that this shall still be useful provided the project location and configuration do not changes.

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

3) As there is no active development on project, management has decided to charge all the expenses to P/L instead of CWIP.

5 Cash and Cash equivalents

		As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Balances with banks			
In current accounts		12,270	62,052
Total		12,270	62,052

6 Other Financial Assets

		As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Security deposit		3,800	3,800
Total		3,800	3,800



**7 Equity Share Capital**

	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Authorised Share Capital 10,000 Equity shares of ₹ 10/- each	100,000	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>
Issued, Subscribed and fully paid-up equity shares 10,000 Equity shares of ₹ 10/- each fully paid	100,000	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

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

**Equity Shares**

	As at 31st March, 2021		As at 31st March, 2020	
	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, 2021		As at 31st March, 2020	
	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, 2021		As at 31st March, 2020	
	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%

**B Other Equity**

	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Retained earnings		
Opening Balance	(37,844,068)	(28,313,752)
Add: (Loss) for the year	(45,449,003)	(9,530,316)
Add: other Comprehensive Income	-	-
Closing Balance	<b>(83,293,070)</b>	<b>(37,844,068)</b>

**Note:**

Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.





**Surguja Power Private Limited**
**Notes to financial statements for the year ended 31st March, 2021**
**adani**

		As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
<b>9</b>	<b>Borrowings</b>		
	Unsecured Borrowings		
	From Related Parties (Refer Note 23)	113,964,544	103,473,922
	<b>Total</b>	<b>113,964,544</b>	<b>103,473,922</b>
	<b>Note:</b>		
	Loan from Related Parties are repayable within one year from the date of agreement and carry the interest rate of 10% p a		
<b>10</b>	<b>Other Financial Liabilities</b>		
	Retention money payable	18,210	18,210
	Capital Creditors	15,472	15,472
	Other Payable	16,076	18,600
	<b>Total</b>	<b>49,758</b>	<b>52,282</b>
<b>11</b>	<b>Other Current Liabilities</b>		
	Statutory liabilities (TDS)	194,084	238,267
	<b>Total</b>	<b>194,084</b>	<b>238,267</b>
<b>12</b>	<b>Current tax Liabilities</b>		
	Provision of Income-tax (net-off advance tax)	2,366	1,435
	<b>Total</b>	<b>2,366</b>	<b>1,435</b>
<b>13</b>	<b>Other Income</b>		
	Income from Mutual Fund	9,156	4,519
	Miscellaneous Income	2,400	-
	<b>Total</b>	<b>11,556</b>	<b>4,519</b>
<b>14</b>	<b>Finance costs</b>		
	Interest on Loans	10,422,296	9,485,225
	<b>Total</b>	<b>10,422,296</b>	<b>9,485,225</b>



**Surguja Power Private Limited**

Notes to financial statements for the year ended 31st March, 2021

**adani**
**15 Other Expenses**

	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
Rates and Taxes	-	2,400
Legal & Professional Expenses	69,649	23,823
Miscellaneous Expenses	58	-
Capital Expenditure Written-off	34,896,651	-
Payment to Auditors		
Statutory Audit Fees	11,800	17,700
<b>Total</b>	<b>34,978,158</b>	<b>43,923</b>

**16 Income Tax**

The major components of income tax expense for the year ended 31st March, 2021 and 31st March, 2020 are:

**Income Tax Expense :**

	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
<b>Current Tax:</b>		
Current Tax	2,381	1,435
Adjustment in respect of prior year	-	4,250
<b>Total</b>	<b>2,381</b>	<b>5,685</b>

**Deferred Tax**

In respect of current year origination and reversal of temporary differences

<b>Total (b)</b>	-	-
<b>Total (a+b)</b>	<b>2,381</b>	<b>5,685</b>

**Accounting (loss) before tax**

Tax Rate for Corporate Entity as per Income Tax Act, 1961

Income tax using the company's domestic tax rate

**Tax Effect of :**

i) Current year losses for which no deferred tax asset is recognised

ii) Income-taxes related to prior years

Income tax recognised in profit and loss account at effective rate

Total Tax Expense for the year

	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
Accounting (loss) before tax	(45,446,622)	(9,524,631)
Tax Rate for Corporate Entity as per Income Tax Act, 1961	26.00%	26.00%
Income tax using the company's domestic tax rate	(11,816,122)	(2,476,404)
Tax Effect of :		
i) Current year losses for which no deferred tax asset is recognised	11,818,503	2,477,839
ii) Income-taxes related to prior years	-	-
Income tax recognised in profit and loss account at effective rate	2,381	1,435
Total Tax Expense for the year	2,381	1,435

**17 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.

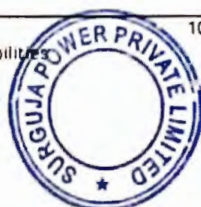
**Liquidity Risk :**

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, 2021	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	113,964,544	-	-	113,964,544
Other Financial Liabilities	49,758	-	-	49,758
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





**18 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 2021 and as at 31st March, 2020.

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net debt (total debt less cash and cash equivalents) (A)	113,952,274	103,411,870
Total Capital (B)	(83,193,070)	(37,744,068)
Total Capital and net debt C=(A+B)	30,759,204	65,667,802
Gearing Ratio (A/C)	3.70	1.57

**19 Contingent liability & Capital commitment**

There is no Contingent liability and capital commitment as on 31st March 2021.

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

	UOM	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(Loss) attributable to equity shareholders	₹	(45,449,003)	(9,530,316)
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	₹	(4,544.90)	(953.03)





**21 Fair Value Measurement :**

a) The carrying value of financial instruments by categories as of 31st March, 2021 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	-	-	12,270	12,270
Other Financial Assets	-	-	3,800	3,800
<b>Total</b>	-	-	16,070	16,070
<b>Financial Liabilities</b>				
Borrowings	-	-	113,964,544	113,964,544
Other Financial Liabilities	-	-	49,758	49,758
<b>Total</b>	-	-	114,014,302	114,014,302

b) 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
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	-	62,052	62,052
Other Financial Assets	-	-	3,800	3,800
<b>Total</b>	-	-	65,852	65,852
<b>Financial Liabilities</b>				
Borrowings	-	-	103,473,922	103,473,922
Other Financial Liabilities	-	-	52,282	52,282
<b>Total</b>	-	-	103,526,204	103,526,204

22 Since the project of the company is on hold, the company has not carried out any major operations during the year under consideration. Hence the reporting under IND AS 108 - "Operating Segments", and rules prescribed under Companies (Indian Accounting Standards) Rules, 2015 is not applicable to the company.

**23 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 arms 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, 2021	For the year ended 31st March, 2020
Adani Enterprise Limited	Loan Taken (Including Interest converted to Loan)	10,490,622	9,136,704
	Interest Expenses	10,422,296	9,485,225

**c) Balances With Related Parties :**

(Amount in ₹)

Name of Related Party	Nature of Closing Balance	As at 31st March, 2021	As at 31st March, 2020
Adani Enterprise Limited	Borrowings	113,964,544	103,473,922

**24 Personnel Cost**

The company does not have any employee. The operational management and administrative functions of the company are being managed by the Holding Company, Adani Enterprise Limited.

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 Events occurring after the Balance sheet Date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 30th April, 2021 there were no subsequent events to be recognized or reported that are not already disclosed.



27 Approval of financial statements

The financial statements were approved for issue by the board of directors 30th April, 2021

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



Place : Ahmedabad  
Date : 30th April, 2021

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

*K. S. Nagendra*

K. S. Nagendra  
Director  
DIN 06859146

Place : Ahmedabad  
Date : 30th April, 2021

*Kandarp Patel*

Kandarp Patel  
Director  
DIN 02947643

