

**INDEPENDENT AUDITORS' REPORT**

To,

The Members of  
**ADANI SYNERGY LIMITED**

**Report on the Financial Statements:**

We have audited the accompanying financial statements of **ADANI SYNERGY LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 and the Statement of Profit & Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



**Auditors' Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:-

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2016;
- (ii) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by 'the Companies (Auditors' Report) Order, 2016 ( "the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 of the Order, to the extent applicable.
- 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 purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

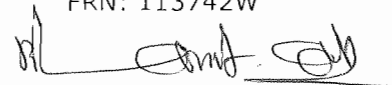


**SHAH & SHAH ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

702, ANIKET,  
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C.G. ROAD, NAVRANGPURA,  
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- d) In our opinion, the aforesaid 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 the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 control 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 other matters to be included in the Auditors' 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 required to be transferred to the Investor Education and Protection Fund by the company.

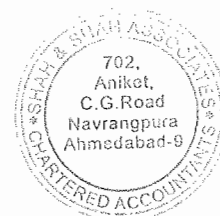
For **SHAH & SHAH ASSOCIATES**  
Chartered Accountants  
FRN: 113742W



**BHARAT A SHAH**  
**PARTNER**

Membership Number:030167

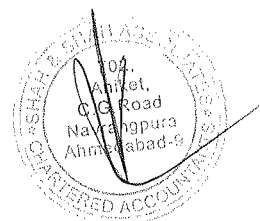
Place : Ahmedabad.  
Date : 29<sup>th</sup> April, 2016



**"Annexure A" to the Independent Auditors' Report of even date on the Financial Statements of ADANI SYNERGY LIMITED,**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

1. In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management and no discrepancy was noticed on such physical verification.
  - c) The company does not have any immovable property and therefore the question of title deeds of immovable properties in the name of the company does not arise.
2. The company's business does not involve inventories and, accordingly, the requirements under paragraphs 3(ii) of the Order are not applicable to the company.
3. The company has not granted any loans, secured or unsecured to companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. The Company has not granted loan to the persons covered under section 185 of the Act or give guarantees or securities in connection with loan taken by such persons. Further the company has not made investments as per the provision of section 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015.



6. Requirements of maintenance of cost records under sub-section (1) of section 148 of the Companies Act are not applicable to the company.
7.
  - a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
  - b) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
8. Based on our audit procedures and as per the information and explanations given by the management, the company has not taken any loan or borrowings from any bank, financial institution or by way of issue of debentures. Accordingly, the requirements under paragraph 3(viii) of the Order are not applicable to the company and hence not commented upon,
9. The company has not raised money by way of initial public offer or further public offer including debt instruments and term loans.
10. There has been neither any fraud by the company nor any fraud on the company by its officers or employees has been noticed or reported during the year.
11. During the year, the company has not paid managerial remuneration; hence the compliance of provision of clause 3(xi) of the Order is not applicable to the company.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. As per information and explanations given to us, all the transactions with related parties are in compliance of the provisions of section 177 and 188 of



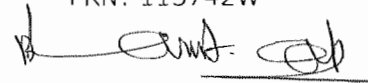
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the Companies Act, 2013, the details of which have been disclosed in the financial statements as required by the applicable accounting standard.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SHAH & SHAH ASSOCIATES**  
Chartered Accountants  
FRN: 113742W



**BHARAT A SHAH**  
**PARTNER**

Membership Number: 030167

Place : Ahmedabad.  
Date : 29th April, 2016



**"Annexure B" to the Independent Auditors' Report of even date on the Financial Statements of ADANI SYNENERGY LIMITED,**

Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016.

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

We have audited the internal financial controls over financial reporting of **ADANI SYNENERGY LIMITED**, ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

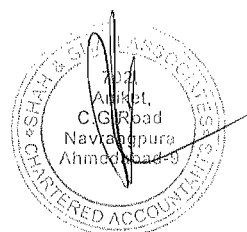
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 Companies Act, 2013.

**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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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





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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

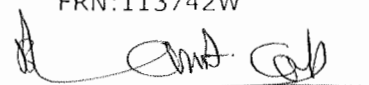
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 **SHAH & SHAH ASSOCIATES**

Chartered Accountants

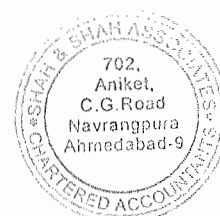
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**BHARAT A SHAH**  
**PARTNER**

Membership Number: 030167

Place : Ahmedabad.  
Date : 29<sup>th</sup> April, 2016



ADANI SYNENERGY LIMITED  
BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	Notes	As at MARCH 31, 2016 Amount in ₹	As at MARCH 31, 2015 Amount in ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	3	5,00,000	5,00,000
(b) Reserves & Surplus	4	(16,08,669)	(15,62,749)
		(11,08,669)	(10,62,749)
<b>NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	5	14,61,40,757	4,60,54,134
(b) Long Term Provisions	6	38,99,672	-
		15,00,40,429	4,60,54,134
<b>CURRENT LIABILITIES</b>			
(a) Other liabilities	7	1,15,72,579	40,56,833
(b) Short Term Provisions	8	16,15,507	33,52,821
		1,31,88,086	74,09,654
<b>Total</b>		<b>16,21,19,846</b>	<b>5,24,01,039</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	9	2,76,138	1,72,193
(ii) Indirect Project Expenditure, pending allocation	10	15,67,85,868	5,12,62,134
(iii) Capital Work In Progress		48,500	-
		15,71,10,506	5,14,34,327
<b>CURRENT ASSETS</b>			
(a) Cash & Bank Balances	11	16,69,317	8,00,154
(b) Short-term loans & advances	12	33,40,023	1,66,558
		50,09,340	9,66,712
<b>Total</b>		<b>16,21,19,846</b>	<b>5,24,01,039</b>
Summary of significant accounting policies.	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Shah & Shah Associates  
ICAI Firm Registration No.: 113742W  
Chartered Accountants

per Bharat A Shah  
Partner  
Membership No. 30167

Place : Ahmedabad  
Date : 29 APR 2016



For and on behalf of the Board of Directors  
Adani SynEnergy Limited

P. V. Adani  
Pratav Adani  
Director  
DIN : 00008457

Place : Ahmedabad  
Date : 29/4/16

Vneet S Jaain  
Vneet S Jaain  
Director  
DIN : 00053906



Pratav Adani  
Navneet Pradhan  
Am. F. A.

ADANI SYNENERGY LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31-MARCH-2016

PARTICULARS	Notes	Year Ended on 31-Mar-2016	For the period February 14, 2014 to MARCH 31, 2015
		Amount in ₹	Amount in ₹
Other Operating Income		-	-
Other Income		-	-
Interest Income on Fixed Deposits		-	5,379
Total Income (A)		-	5,379
Expenses			
Finance Cost	13	-	13,96,152
Other Expenses	14	45,920	1,71,976
Total Expenses (B)		45,920	15,68,128
Loss for the year before taxation (A - B)		(45,920)	(15,62,749)
Tax Expense		-	-
Loss for the year after tax		(45,920)	(15,62,749)
Earnings (Loss) per Equity Share (in ₹) of face value of ₹ 10 each			
Basic and Diluted EPS	15	(0.92)	(31.25)
Summary of significant accounting policies.	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Shah & Shah Associates  
ICAI Firm Registration No.: 113742W  
Chartered Accountants

per Bharat A Shah  
Partner  
Membership No. 30167

Place : Ahmedabad

Date : 29 APR 2016



For and on behalf of the Board of Directors  
Adani SynEnergy Limited

Pranav Adani  
Director  
DIN : 00008457

Place : Ahmedabad

Date : 29/4/16

Vneet S Jaain  
Director  
DIN : 00053906



Pranav Adani  
Narenk Pradhan  
AMFAA

**ADANI SYNENERGY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	For the Year ended on 31st March, 2016 Amount in ₹	For the period February 14, 2014 to MARCH 31, 2015 Amount in ₹
<b>A Cash Flow From Operating Activities</b>		
Loss for the period	(45,920)	(15,62,749)
Adjustments to reconcile loss before tax to net cash flows		
Finance Cost	-	13,96,152
Depreciation	-	-
Interest Income	-	(5,319)
Operating (loss) before working capital changes	(45,920)	(1,71,976)
Movements in working capital:		
(Increase) in Loans and Advances	(31,73,465)	(1,66,558)
Increase/ (decrease) in Other Current Liabilities	70,65,441	39,17,219
Increase/(decrease) in Short Term Provisions	(17,37,314)	33,52,821
Increase/(decrease) in Long Term Provisions	38,99,672	-
<b>Net Cash Flow from Operating Activities</b>	<b>60,08,415</b>	<b>69,31,506</b>
<b>B Cash flow used in Investing activities</b>		
Purchase of Fixed Assets	(1,74,700)	(1,72,194)
Payment towards Indirect expenditure during construction year	(9,61,81,741)	(5,12,62,134)
Purchase of Capital Asset	(48,500)	-
Interest Received	-	5,379
<b>Net Cash used in investing Activities</b>	<b>(9,64,04,942)</b>	<b>(5,14,28,949)</b>
<b>C Cash Flow From Financing Activities</b>		
Proceeds from Issue of Equity Share Capital	-	5,00,000
Proceeds from borrowings taken	9,12,65,691	4,47,97,597
<b>Net Cash Flow from Financing Activities</b>	<b>9,12,65,691</b>	<b>4,52,97,597</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>8,69,163</b>	<b>8,00,154</b>
Cash and Cash Equivalent at beginning of the year	8,00,154	-
Cash and Cash Equivalent at end of the year	<b>16,69,317</b>	<b>8,00,154</b>
<b>Component of Cash and Cash Equivalents:</b>		
Balance with Schedule Banks		
On current Accounts	16,69,317	8,00,154
Cash and Cash Equivalent at end of the year	<b>16,69,317</b>	<b>8,00,154</b>

**Notes:**

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statement notified under the Companies (Accounting Standards) Amendment Rules, 2016
2. The Company has converted accrued interest of ₹ 88,20,934/- (PY : ₹ 12,56,537) (net of Tax Deducted at Source) as at March 31, 2016 into principal amount of borrowing and accordingly, the same is not given effect in cash flow statement

As per our report of even date

For Shah & Shah Associates  
ICA Firm Registration No.: 113742W  
Chartered Accountants

per Bharat A Shah  
Partner  
Membership No. 30167

Place : Ahmedabad  
Date : 29 APR 2016

*Co. Secy*  
Narash Podder  
M. F. A.



For and on behalf of the Board of Directors  
Adani SynEnergy Limited

*P. P. Adani*  
Pranav Adani  
Director  
DIN : 00008457

Place : Ahmedabad  
Date : 29/4/16

*Vineet S Jaan*  
Vneet S Jaan  
Director  
DIN : 00053906





**1 Corporate Information**

Adani SynEnergy Limited (the Company) is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company was incorporated on 14th February, 2014. Adani SynEnergy Limited is a 100% subsidiary of Adani Enterprises Limited (AEL) with an objective of developing, operating, maintaining, distribution and transportation of synthetic energy, liquid fuel obtained from coal, natural gas, oil shale, or biomass, plastics or rubber waste, gaseous fuels produced in a similar way, common use of the term "synthetic fuel".

**2 Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rule 2014 & Companies (Accounting Standard) Amendment Rules 2016. The financial statements have been prepared on an accrual basis under the historical cost convention.

**2.1 Summary of Significant Accounting Policies****a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**b) Tangible Fixed Assets**

Fixed assets are stated at cost net of accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

**c) Indirect Expenditure during construction period**

Expenditure directly relating to project development (net of income, if any) is capitalized. Indirect expenditure incurred during the construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure.

**d) Depreciation****Tangible Assets**

Schedule II of the Companies Act 2013 prescribes useful lives of the fixed assets which, in many cases are different from the lives prescribed under erstwhile Schedule XIV. However Schedule II allows companies to use higher / lower lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in financial statement.

Depreciation on fixed asset is calculated on Straight Line Method (SLM) using the rates arrived at based on the useful lives as per Schedule II of the Companies Act 2013.

**e) Borrowing Costs**

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition / construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are charged to statement of profit and loss.



f) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

g) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

h) Provisions

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best management estimates.

i) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

j) Retirement and Other employee benefits

i) Provident Fund and Superannuation fund

Retirement benefits in the form of Provident fund and super annuation fund are defined contribution scheme and the contributions are charged to expenses during construction period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

ii) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has taken an insurance policy under the Group Gratuity Scheme with the SBI Life Insurance Company Ltd to cover the gratuity liability of the employees.

iii) Leave Benefits

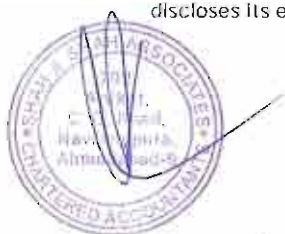
Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve month after the reporting date.

iv) Actuarial Gains/ Losses

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

k) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



ADANI SYNERGY LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

3. Share capital

Authorized shares

50,000 (PY : 50000) Equity Shares of ₹ 10 each

Issued, subscribed and fully paid-up shares

50,000 (PY : 50,000) fully paid up Equity Shares of ₹10 each

Total issued, subscribed and fully paid-up share capital

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
5,00,000	5,00,000
5,00,000	5,00,000
5,00,000	5,00,000
5,00,000	5,00,000

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

	March 31, 2016		March 31, 2015	
	No.	Amount in ₹	No.	Amount in ₹
At the beginning of the year	50,000	5,00,000	-	-
Issued During the year	-	-	50,000	5,00,000
Outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a 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 equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

Shares held by the holding company are as below:

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Adani Enterprises Limited, the holding Company and its nominees 50,000 equity shares (PY : 50,000) of ₹ 10 each fully paid	5,00,000	5,00,000

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

	March 31, 2016		March 31, 2015	
	No.	% Holding	No.	% Holding
Equity shares of ₹ 10 each fully paid Adani Enterprises Limited, the holding company & its nominees	50,000	100.00%	50,000	100.00%

4. Reserves and surplus

(Deficit) in the statement of profit and loss  
Balance as per last balancesheet  
Loss for the year  
(Deficit) in the Statement of Profit and Loss

Total Reserves and surplus

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
(15,62,749)	-
(45,920)	(15,62,749)
(16,08,669)	(15,62,749)
(16,08,669)	(15,62,749)

5. Long-term borrowings

Unsecured Loans

Loan from related parties

- Adani Enterprises Limited, Holding Company

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
14,61,40,757	4,60,54,134
14,61,40,757	4,60,54,134

- Above unsecured loan has been taken at the interest rate of 10.25% per annum for the period of 4 years from 1<sup>st</sup> August 2014



6 Long Term Provisions

Provision for employee benefits  
Provision for Gratuity (refer note : 17 (ii))  
Provision for compensated absences

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
10,54,585	-
28,45,087	-
<b>38,99,672</b>	<b>-</b>

7 Other Current liabilities

Statutory Dues payable  
Employee Dues  
Capital Creditors

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
30,25,981	20,75,531
23,50,156	17,97,029
61,96,442	1,84,273
<b>1,15,72,579</b>	<b>40,56,833</b>

8 Short Term Provisions

Provision for employee benefits  
Provision for gratuity (refer note 17 (ii))  
Provision for compensated absences

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
26,030	10,57,958
15,89,477	22,94,863
<b>16,15,507</b>	<b>33,52,821</b>

10 Indirect Project Expenditure

During the year, the company has capitalised the following indirect expenses including borrowing cost which are specifically attributable to construction of project and shall be added to the cost of fixed asset on completion of Project

Particulars	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Balance as at the beginning of the year	5,12,62,134	-
Expenses incurred during the year		
Interest on borrowing	92,71,237	-
Salaries, Wages & Bonus	7,04,90,811	4,19,08,424
Gratuity expense (Refer to note 17 (iii))	7,35,462	11,22,591
Contribution to Provident Fund and other funds	35,19,980	25,33,864
Staff welfare expense	4,87,453	3,05,331
Professional Services	1,71,68,121	12,34,308
Travelling and Conveyance	57,45,241	33,50,996
Rent Expenses	5,87,505	-
Communication Expense	1,44,007	1,10,295
Depreciation	70,756	9,242
Repairs and Maintenance	26,520	73,661
Office & Miscellaneous expenses	2,53,945	13,423
Recoveries pertaining to previous period	(29,77,303)	-
<b>Closing Balance</b>	<b>15,67,85,868</b>	<b>5,12,62,134</b>

11 Cash & Bank Balances

Balances with Banks  
On current accounts

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
16,69,317	8,00,154
<b>16,69,317</b>	<b>8,00,154</b>





ADANI SYNERGY LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

9 Fixed Assets		Gross Block (At Cost)					Depreciation		Net Block		Amount in ₹
Sr. No.	Particulars	Upto April 1, 2015	Additions	Deductions/ Adjustment	Upto March 31, 2016	Upto April 1, 2015	For the Year	On Deductions	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
	TANGIBLE ASSETS										
	Computer Equipment	1,81,436	1,74,700	-	3,56,136	9,242	70,756	-	79,998	2,76,138	1,72,193
	Total	1,81,436	1,74,700	-	3,56,136	9,242	70,756	-	79,998	2,76,138	1,72,193
	Previous Year	-	1,81,436	-	1,81,436	-	9,242	-	9,242	1,72,193	-

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ADANI SYNERGY LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

12 Short-term loans & advances  
(Unsecured, considered good)

Advance recoverable in cash or kind  
- From related parties  
- From Others

Prepaid expenses  
Staff Imprest

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
29,79,994	-
2,53,794	-
32,33,788	-
20,342	17,430
85,893	1,49,128
33,40,023	1,66,558

13 Finance Cost

Interest on Borrowings

For the Year ended on 31st March, 2016 Amount in ₹	For the period February 14, 2014 to March 31, 2015 Amount in ₹
-	13,96,152
-	13,96,152

14 Other Expenses

Payment to Auditors  
Audit Fees (including service tax)  
Professional Charges  
Rates & Taxes  
Misc Expenditure  
Preliminary Expenses write off  
Professional Charges  
Legal Expenses, Fees & Subscription

For the Year ended on 31st March, 2016 Amount in ₹	For the period February 14, 2014 to March 31, 2015 Amount in ₹
34,350	1,12,360
5,460	16,854
2,400	7,500
3,710	-
-	8,683
-	26,579
45,920	1,71,976

15 Earnings per share (EPS)

Particulars

Net (Loss) as per Statement of Profit and Loss Account for calculation of basic and diluted EPS

Weighted average number of equity shares in calculating basic and diluted EPS  
Basic and Diluted Earnings (Loss) Per Share (₹)

March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
(45,920)	(15,62,749)
50,000	50,000
(0.92)	(31.25)

16 Capital Commitments

Particulars	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	2,89,742	35,05,632



17 Details of employee benefits:

- i) The company has recognised an amount of ₹ 35,19,980/- (PY: ₹ 25,33,864) as expense under the following defined contribution plans

Contribution to	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Provident Fund	32,77,275	22,10,869
Superannuation Fund	2,42,705	3,22,995
<b>Total</b>	<b>35,19,980</b>	<b>25,33,864</b>

- ii) The Company has a defined gratuity plan. Under the plan every employee who has completed at least five years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with SBI Life Insurance Company Ltd in form of a qualifying insurance policy for future payment of gratuity to the employees.

The following tables summarise the component of the net benefits expenses recognized in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet as per the plan.

Profit and Loss Account

a) Net gratuity employee benefit expenses

Particulars	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Current Service cost	9,43,427	17,41,416
Interest Cost on benefit obligation	1,38,738	-
Expected return on plan assets	(54,451)	-
Actuarial loss / (gain) recognised during the period	(2,92,252)	(18,825)
<b>Net benefit expense</b>	<b>7,35,462</b>	<b>17,22,591</b>

Balance Sheet

b) Benefit gratuity asset / liability

Particulars	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Present value of defined benefit obligation	(25,21,273)	(17,41,416)
Fair value of plan assets	14,40,658	6,83,458
Surplus/(deficit) of funds	(10,80,615)	(10,57,958)
<b>Net asset/ (liability)</b>	<b>(10,80,615)</b>	<b>(10,57,958)</b>

c) Changes in Present Value of the defined benefit obligation are as follows:

Particulars	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Defined benefit obligation at the beginning of the period	17,41,416	-
Current Service cost	9,43,427	17,41,416
Interest Cost	1,38,738	-
Actuarial (gain) / loss on obligations	(3,02,308)	-
Benefits paid	-	-
<b>Defined benefit obligation at the end of the period</b>	<b>25,21,273</b>	<b>17,41,416</b>

d) Changes in fair value of plan assets are as follows:

Particulars	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
Opening fair value of plan assets	6,83,458	-
Expected return	54,451	-
Contributions by employer	7,12,805	6,64,633
Benefits Paid	-	-
Actuarial gains / (losses)	(10,056)	18,825
<b>Closing fair value of plan assets</b>	<b>14,40,658</b>	<b>6,83,458</b>

i) The present value of the plan assets represents the balance available with SBI Life Insurance Company Ltd at the end of the year. The total value of plan assets amounting to ₹ 14,40,658 (PY: ₹ 6,83,458) is certified by the insurer.

ii) The Company's expected contribution to the fund in the next financial year is ₹ 23,17,000



e) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2016	March 31, 2015
Investments with insurer	100%	100%

In the absence of components of investment in securities is not available from SBI Life Insurance Company Ltd, hence related information is not disclosed.

f) The principle assumptions used in determining gratuity obligations are as follows:

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	7.90%	7.95%
Expected rate of return on plan assets	7.95%	7.95%
Rate of Escalation in Salary (per annum)	8.00%	8.00%
Mortality	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Withdrawal rate	1% at each age	2% at each age

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

iii) The actuarial Liability for leave encashment and compensated absences (including Sick Leave) as at the year ended 31st March 2016 is ₹ 44,34,564 (Previous Year - ₹ 22,94,863)

#### 18 Related Parties Disclosure

The Management has identified the following entities as related parties of the Company for the year ended March 31, 2016 for the purposes of reporting as per AS 18 – Related Party Transactions, which are as under:

Criteria	Name of Company
Holding Company	Adani Enterprises Limited
Fellow Subsidiary	Mundra Solar PV Ltd
Fellow Subsidiary	Adani Welspun Exploration Ltd

Transactions during the year :

Category	Name of Related Party	FY 2015-16 Amount in ₹	FY 2014-15 Amount in ₹
Equity Shares Issued	Adani Enterprises Limited	-	5,00,000
Borrowings (Loan Taken)	Adani Enterprises Limited	9,44,65,689	4,47,97,597
Borrowings (Loan Repaid)	Adani Enterprises Limited	32,00,000	-
Interest paid	Adani Enterprises Limited	92,71,237	13,96,152
Reimbursement of Expenses (payment)	Adani Enterprises Limited	5,81,040	21,861
Recovery of expenses (receipt)	Adani Enterprises Limited	24,56,761	-
Recovery of expenses (receipt)	Adani Welspun Exploration Ltd	5,20,542	-
Advance for Expenses Paid	Mundra Solar PV Ltd	2,691	-

Closing Balances

Category	Name of Related Party	As at March 31, 2016	As at March 31, 2015
Borrowings (Loan)	Adani Enterprises Limited	14,61,40,757	4,60,54,134
Other liabilities	Adani Enterprises Limited	5,81,040	21,861
Advance recoverable in cash or kind	Adani Enterprises Limited	24,56,761	-
Advance recoverable in cash or kind	Adani Welspun Exploration Ltd	5,20,542	-
Advance for Expenses Paid	Mundra Solar PV	2,691	-

During the period, the Company has converted accrued interest of ₹ 88,20,932/- (PY: ₹ 12,56,537) (net of Tax Deducted at Source) as at March 31, 2016 into principal amount of borrowing.



ADANI SYNENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

19 Contingent Liabilities not provided for

Based on the information available with the company, there is no contingent liability as at the period ended March 31, 2016.

20 Disclosures under MSMED Act

Based on the information and supplier's profile available with the company as at March 31, 2016, the management believes that no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provision or payments is required to be made by the Company to such suppliers and no disclosures thereof are made in these financial statements.

21 Previous year figures have been regrouped wherever necessary.

As per our report of even date

For Shah & Shah Associates  
ICAI Firm Registration No.: 113742W  
Chartered Accountants

per Bharat A Shah  
Partner  
Membership No. 30167

Place: Ahmedabad

Date : 29 APR 2016



For and on behalf of the board of directors  
Adani SynEnergy Limited

Pranav Adani Vneet S Jaain  
Director Director  
DIN : 00008457 DIN : 00053906

Place: Ahmedabad

Date : 29/4/16

