

INDEPENDENT AUDITORS' REPORT

To the Members of Mundra Solar Technopark Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Mundra Solar Technopark Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the period March 10, 2015 to March 31, 2016, 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 stated 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 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate 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, issued by the Institute of Chartered Accountants of India, as 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 a 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 the 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 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, 2016, its loss, and its cash flows for the period March 10, 2015 to March 31, 2016 on that date.



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 Act, we give in the Annexure 1, 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - 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.

For SRBC & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003


per Santosh Arjunwar
Partner
Membership Number: 93669

Place of Signature: Ahmedabad
Date: April 29, 2016




Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Mundra Solar Technopark Private Limited for the period March 10, 2015 to March 31, 2016

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) All Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification;
 - (c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
 - (ii) The management has conducted physical verification of inventory in the nature of land and other properties at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
 - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
 - (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
 - (v) The Company has not accepted any deposits from the public.
 - (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
 - (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues applicable to it except provident fund of Rs. 2,45,535 which has not been deposited with authorities pending registration. The provisions relating to custom duty, excise duty and employees' state insurance are not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues outstanding on account of any dispute.
2. In our opinion and according to the information and explanation given by the management, the Company has not taken any loan from bank and financial institution and has not issued any debenture.
3. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.



4. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
5. In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
6. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
7. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
8. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
9. According to 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 as referred to in section 192 of Companies Act, 2013.
10. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003


per Santosh Aggarwal
Partner

Membership Number: 93669

Place of Signature: Ahmedabad
Date: April 29, 2016



ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MUNDRA SOLAR TECHNOPARK PRIVATE LIMITED

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

To the Members of Mundra Solar Technopark Private Limited

We have audited the internal financial controls over financial reporting of Mundra Solar Technopark Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the period March 10, 2015 to March 31, 2016 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 the 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 as specified 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 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 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 SRBC & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003


per Santosh Aggarwal
Partner
Membership Number: 93669

Place of Signature: Ahmedabad
Date: April 29, 2016



Mundra Solar Technopark Private Limited
Balance Sheet as at March 31, 2016

PARTICULARS	Notes	March 31, 2016 Amt in Rs.
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Share Capital	3	4,95,00,000
Reserves and Surplus	4	(71,04,448)
Sub Total		4,23,95,552
NON-CURRENT LIABILITIES		
Long-Term Borrowings	5	3,23,97,50,000
Other Long-Term Liabilities	6	3,76,25,49,470
Long-Term Provisions	7	12,83,879
Sub Total		7,00,35,83,349
CURRENT LIABILITIES		
Trade Payables		
- Total Outstanding dues of Micro and Small Enterprises		-
- Total Outstanding dues of creditors other than Micro and Small Enterprises		99,71,374
Other Current Liabilities	8	1,96,74,41,220
Short-Term Provisions	7	1,54,805
Sub Total		1,97,75,67,399
Total		9,02,35,46,300
ASSETS		
NON CURRENT ASSETS		
Fixed Assets		
Tangible Assets	9	2,99,15,72,531
Capital Work-In-Progress	10	1,41,43,04,957
Loans and Advances	11	10,81,186
Other Non-Current Assets	12	77,66,36,564
Sub Total		5,18,35,95,238
CURRENT ASSETS		
Inventories	13	3,17,99,84,951
Trade Receivables	14	65,54,14,564
Loans and advances	11	43,19,811
Cash and Bank Balances	15	2,31,736
Sub Total		3,83,99,51,062
Total		9,02,35,46,300

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 S R B C & CO LLP
Firm Registration No.: 324982E/E300003
Chartered Accountants

per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: April 29, 2016



For and on behalf of the Board of Directors of
Mundra Solar Technopark Private Limited

D.P.Joshi
Director
DIN: 05192222

Place: Ahmedabad
Date: April 29, 2016

Rakshit Shah
Director
DIN: 00103501



Mundra Solar Technopark Private Limited

Statement of Profit and Loss for the Period ended March 31, 2016

PARTICULARS	Notes	For the Period March 10, 2015 to March 31, 2016 Amt in Rs.
INCOME		
Revenue From Operations	16	1,43,50,86,579
Total Revenue		1,43,50,86,579
EXPENSES		
Cost of land and infrastructure development (net)		1,33,78,87,304
Finance Costs	17	4,61,24,217
Other Expenses	18	5,81,79,506
Total Expenses		1,44,21,91,027
(Loss) before Tax		(71,04,448)
Tax Expenses		
Current Tax		-
(Loss) for the period		(71,04,448)
Earning / (loss) per Equity Share (in Rs.) face value of Rs 10 each	19	
Basic and Diluted		(2.62)

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 S R B C & CO LLP

Firm Registration No.: 324982E/E300003

Chartered Accountants


per Santosh Aggarwal
Partner
Membership No. 93669



Place: Ahmedabad

Date: April 29, 2016

For and on behalf of the Board of Directors of
Mundra Solar Technopark Private Limited


D.P. Joshi
Director
DIN: 05192222


Rakshit Shah
Director
DIN: 00103501



Place: Ahmedabad

Date: April 29, 2016

PARTICULARS		For the Period March 10, 2015 to March 31, 2016 Amt in Rs.
A. Cash Flow from Operating Activities		
Loss before tax		(71,04,448)
Adjustments for:		
Interest Expense		4,60,94,634
Operating loss before working capital changes		3,89,90,186
Movement in working capital:		
(Increase) in Other Assets		(77,66,36,564)
(Increase) in Trade Receivables		(65,54,14,564)
(Increase) in Inventories		(3,17,99,84,951)
(Increase) in Loans and advances		(10,81,186)
Increase in Other Liabilities		3,81,12,19,481
Increase in Trade Payables		99,71,374
Increase in Provisions		14,38,684
Operating Loss after Adjustments		(79,04,87,726)
Direct Tax Paid		-
Net Cash (Used in) Operating Activities		(75,14,97,540)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets including Capital Work-In-Progress and Capital Advances		(2,53,16,29,400)
Net Cash (used in) Investing Activities		(2,53,16,29,400)
C. Cash Flow from Financing Activities		
Proceeds from Inter-corporate Deposit		3,28,08,50,000
Repayment of Inter-corporate Deposit		(4,11,00,000)
Interest Paid		(58,91,324)
Proceeds from issuance of Share Capital		4,95,00,000
Net Cash Flow from Financing Activities		3,28,33,58,676
D. Net Increase in Cash and Cash Equivalents (A + B + C)		2,31,736
E. Cash and Cash Equivalents at the beginning of the period		-
F. Cash and Cash Equivalents at close of the period		2,31,736
Components of Cash and Cash Equivalents		
Balances with Scheduled Banks		
- On Current Accounts		2,31,736
Cash and Cash Equivalents at the end of the period (refer note 15)		2,31,736

Summary of significant accounting policies.

2.1

Notes:

The Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date

For S R B C & CO LLP
Firm Registration No.: 324982E/E300003
Chartered Accountants

per Santosh Aggarwal
Partner
Membership No. 93669



Place: Ahmedabad
Date: April 29, 2016

For and on behalf of the Board of Directors of
Mundra Solar Technopark Private Limited

D.P.Joshi
Director
DIN: 05192222

Place: Ahmedabad
Date: April 29, 2016

Rakshit Shah
Director
DIN: 00103501



1 Corporate information

Mundra Solar Technopark Private Limited ('MSTPL' or Company) was incorporated on March 10, 2015 with an objective to develop Electronic Manufacturing Cluster (EMC) and related infrastructure facilities at Mundra. The Company is a Co-developer for providing infrastructure facilities, in the multi product special economic zone at Mundra, being developed by Adani Ports and Special Economic Zone Limited. Company's project has been in principle approved by Department of Electronics and Information Technology, Government of India for availing financial assistance under Electronics Manufacturing Clusters (EMC) scheme Notification No-252 dated 22th September, 2012 and subsequent Notification thereafter and Guidelines for EMC scheme issued by Ministry of Communications and Information Technology, Department of Electronics and Information Technology. The company has received in principle approval from above authorities on August 7, 2015.

The Company has entered into long term land lease agreement for land measuring 511.34 acres at multi product special economic zone at mundra with Adani Ports and Special Economic Zone Limited for development of EMC project, whereby part of the land is leased / proposed to be subleased to the units at EMC.

2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the 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) Rules 2014. 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 judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumption and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible Assets:

- i) Fixed assets including capital work in progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalisation criteria are met directly attributable cost of bringing the asset to its working condition for the intended use. Borrowing cost relating to acquisition / construction 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.
- ii) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future economic 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.
- iii) Gains or losses arising from derecognition/ sale proceeds of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- iv) The Company identifies and determine cost of each component / part has cost which is significant to the total cost of the assets has useful life that is materially different from that of the remaining asset.

c) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction / development activity (net of income, if any) is capitalized. Indirect expenditures incurred during construction period which are specifically attributable to construction of a project, is capitalized as part of Project cost. Other indirect expenditures (including borrowing costs) incurred during the construction period which are not specifically attributable to construction of a project, is charged to the statement of profit and loss.

d) Depreciation on Tangible Assets:

- i) Depreciation on fixed asset is calculated on Straight Line Method (SLM) based on the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013 except for the assets mentioned in para (ii) below for which useful lives estimated by the management. The Identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets.
- ii) The Company has estimated the following useful life to provide depreciation on its certain fixed assets based on assessment made by expert.

Assets	Estimated Useful Life
Leasehold Land – Right to Use	Over the balance period of Land Lease Agreement.

- iii) The residual value, useful life and method of depreciation of fixed assets are reviewed at each year end and adjusted prospectively, if appropriate.



R.B. Shah

e) Impairment of Assets:

- i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. The asset's recoverable amount is the higher of the asset's net selling price and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 assessment of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken in to account, if available. If no such transactions can be identified, an appropriate valuation model is used.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Borrowing Cost

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 expensed in the period they occur.

g) Leases**Where the company is the lessee**

Finance leases including rights of use in leased land, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at inception of the lease term at the lower of the fair value of land and present value of the minimum lease payments and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance cost in the statement of profit and loss.

A leased asset is depreciated/amortised on a straight line basis over the useful life of the asset. However, If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized leased assets is depreciated/amortised on a straight line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

h) Inventories

Cost of land, land development and related infrastructure development comprising specific and common infrastructure are initially inventoried as work in progress - Inventories and proportionate cost of land and infrastructure development expenses is recognized in the profit and loss account to the extent of income earned from land lease/sale and infrastructure development.

Inventories are valued at lower of cost and net realisable value. Cost represents cost of land and all expenditure incurred in connection with, or attributable to the project, and being a long-term nature including borrowing cost.

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i) Income from Long Term Leases

As a part of its business activity, the Company sub-leases land and the infrastructure on long term lease basis to its customers. The Company recognises the land lease income based on the principles of leases as per Accounting Standard – 19, Leases and accordingly, in case of land sub-lease transaction, the income in respect of leasehold premium is recognised on finance lease basis i.e. at the inception of sub-lease agreement / Memorandum of Understanding on creation of land leasehold rights in favour of the lessee as the significant right of economic ownership of the leased land vests with the lessee. In respect of land given on finance lease basis, the corresponding cost of the land is expensed off in the statement of profit and loss.

ii) Infrastructure Usage

Income from infrastructure usage fee in relation to the leased lands, the premium is recognised as revenue either upon fulfilment of contractual obligation as per the agreement / arrangements or is recognised over the balance contractual period on straight line basis. Infrastructure usage fee in excess of accrual of covered period is classified as deferred infrastructure income.



R.B. Shah

j) Retirement and Other Employee Benefits**i) Provident fund**

Retirement benefit in the form of Provident fund is defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the fund is due. There are no other obligations other than the contribution payable to the fund.

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.

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 measure the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimated leave 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.

iv) Actuarial Gains/ Losses

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

k) Income Taxes

Tax expense comprises of 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 enacted in India. The tax rate and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income taxes reflects the impact of timing differences between taxable income and accounting income originating during the current year. Deferred tax is measured based on 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.

In view of Company availing tax deduction under Chapter VIA of the Income Tax Act, 1961, deferred tax has been recognized in respect of timing difference, which reverse after the tax holiday period in the year in which the timing difference originate and no deferred tax (assets or liabilities) is recognised in respect of timing difference which reverse during tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

l) 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.

m) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best 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.

n) Segment Reporting Policies

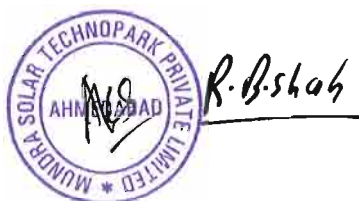
The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk and return profile of individual business unit, the organisational structure and internal reporting system of the Company. The analysis of geographical segments is not required as the Company's operations are within single geographical segment i.e. India.

o) Cash and Cash equivalents

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

p) Contingent liabilities

A contingent liability is a possible obligation that arises from past event whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future event 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 statement.



3 Share Capital

March 31, 2016
Amt in Rs.

Authorized shares

50,00,000 Equity Shares of Rs. 10 each

5,00,00,000

Issued, subscribed and fully paid-up shares

49,50,000 Equity Shares of Rs. 10 each

4,95,00,000

Total issued, subscribed and fully paid-up share capital

4,95,00,000

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

Equity shares

March 31, 2016

At the beginning of the period

Issued during the period

Outstanding at the end of the period

No.	Amt in Rs.
-	-
49,50,000	4,95,00,000
49,50,000	4,95,00,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of company, the holders of 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 shareholders.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of equity shares issued by the company, shares held by its holding company and their subsidiaries are as below:

March 31, 2016
Amt in Rs.

Adani Green Energy Enterprise Limited, the holding company

19,00,000 equity shares of 10 each fully paid

1,90,00,000

Mundra Solar Limited, subsidiary of holding company

12,50,000 equity shares of 10 each fully paid

1,25,00,000

Mundra Solar PV Limited, subsidiary of holding company

12,50,000 equity shares of 10 each fully paid

1,25,00,000

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

March 31, 2016

Equity shares of Rs.10 each fully paid

Adani Ports and Special Economic Zone Limited and nominees

Adani Green Energy Limited

Mundra Solar Limited

Mundra Solar PV Limited

No.	% Holding
5,50,000	11.11%
19,00,000	38.39%
12,50,000	25.25%
12,50,000	25.25%
49,50,000	100.00%



R.B. Shah

4 Reserves and Surplus

March 31, 2016
Amt in Rs.

Deficit in the statement of profit and loss	
(Loss) for the period	(71,04,448)
Net Deficit in the statement of profit and loss	(71,04,448)

5 Long-Term Borrowings

March 31, 2016
Amt in Rs.

Inter Corporate Deposit (unsecured)	3,23,97,50,000
	3,23,97,50,000

The Inter Corporate Deposit is interest bearing @ 12% per annum. The amounts are borrowed in instalments and are for a period of three years from the date of borrowings.

6 Other Long-Term Liabilities

March 31, 2016
Amt in Rs.

Obligations under Land Lease	2,80,69,05,470
Deferred Infrastructure Income	95,56,44,000
	3,76,25,49,470

7 Provisions

	Long Term	Short Term
	March 31, 2016	March 31, 2016
	Amt in Rs.	Amt in Rs.
Provision for employee benefits		
Provision for gratuity (refer note 24)	8,83,194	11,419
Provision for compensated absences	4,00,685	1,43,386
	12,83,879	1,54,805

8 Other Current Liabilities

March 31, 2016
Amt in Rs.

Interest accrued but not due	5,30,21,887
Capital creditors	1,86,57,49,322
Statutory Liabilities	4,41,23,582
Other Payables *	45,46,429
	1,96,74,41,220

*include amount of Rs 2,45,535/- deducted towards employee provident fund contribution, pending allotment of registration number.



R.B. Shah

Mundra Solar Technopark Private Limited
Notes to the Financial Statements for the period ended March 31, 2016

Note: 9 Fixed Assets

Particulars	Gross Block				Depreciation/Amortization			Net Block		Amt in Rs.
	As at April 1, 2015	Acquisition during the year	Adjustment/ Deductions	Adjustment for Exchange Difference	As at March 31, 2016	As at April 1, 2015	During the year	As at March 31, 2016	As at March 31, 2015	
Tangible Assets										
Leasehold Land	-	3,04,57,91,725	-	-	3,04,57,91,725	-	5,66,98,370	2,98,90,93,355	-	-
Temporary Structures	-	24,80,000	-	-	24,80,000	-	1,32,493	23,47,507	-	-
Vehicles	-	1,32,140	-	-	1,32,140	-	471	1,31,669	-	-
TOTAL	-	3,04,84,03,865	-	-	3,04,84,03,865	-	5,68,31,334	2,99,15,72,531	-	-

Note 1 : Leasehold Land represent 223.91 acre of land, which is proposed to be developed for common infrastructure and storage facilities under Greenfield Electronic Manufacturing Cluster (EMC) project.



R.B. Shah



10 Capital Work in Progress includes expenditure during construction period and Capital inventory, details of which are as follows:

Particulars	Year ended March 31, 2016
A. Development and construction service - payment to contractors	1,27,58,08,823
B. Capital Inventory	54,60,245
C. Expenditure during construction period :	
Personnel Expenses	
Salaries, wages & bonus	67,46,075
Gratuity expenses (refer note 24)	8,94,613
Workmen and staff welfare expense	5,480
Sub Total	76,46,168
Administrative and other expenses	
Annual Land Rent	3,23,09,136
Traveling and conveyance	6,84,551
Legal and professional fees	1,14,90,572
Rates & taxes	61,62,713
Repair and maintenance	3,68,500
Security expenses	36,89,575
Hiring of Vehicle Charges	7,44,155
Miscellaneous expenses	2,90,608
Sub Total	5,57,39,810
Depreciation and amortization expense	5,68,31,334
Financial expenses	
Interest on loans	1,28,18,577
Total	13,30,35,888
Total (A + B + C)	1,41,43,04,957



R.B. Shah

11 Loans and Advances	Non-Current	Current
	March 31, 2016	March 31, 2016
	Amt in Rs.	Amt in Rs.
Balance with Government / Statutory Authorities	10,81,186	-
Capital Advances / Deposits	-	43,19,811
	10,81,186	43,19,811
12 Other Non-Current Assets	Non-Current	
	March 31, 2016	
	Amt in Rs.	
Land Lease Receivables	77,66,36,564	
	77,66,36,564	
13 Inventories (valued at lower of cost and net realizable value)	March 31, 2016	
	Amt in Rs.	
Land (comprises cost of land and related development expenses)	3,17,99,84,951	
	3,17,99,84,951	
14 Trade Receivables	Current	
	March 31, 2016	
	Amt in Rs.	
Unsecured, considered good except to the extent stated below		
Outstanding for a period exceeding six months from the date they are due for payment	-	
Other receivables	65,54,14,564	
	65,54,14,564	
15 Cash and Bank Balances	Current	
	March 31, 2016	
	Amt in Rs.	
Cash and cash equivalents		
Balances with banks:		
On current accounts	2,31,736	
	2,31,736	
16 Revenue from Operation	For the Period March 10, 2015 to March 31, 2016	
	Amt in Rs.	
Land Lease income	1,43,17,89,268	
Operating and maintenance income	32,97,311	
	1,43,50,86,579	
17 Finance Costs	For the Period March 10, 2015 to March 31, 2016	
	Amt in Rs.	
Interest on borrowings	4,60,94,634	
Other finance charges	29,583	
	4,61,24,217	
18 Other Expenses	For the Period March 10, 2015 to March 31, 2016	
	Amt in Rs.	
Rates and Taxes	30,150	
Legal and Professional Expenses	18,55,212	
Payment to Auditors (refer below note)	3,20,000	
Travelling and Conveyance	3,26,463	
Lease rent and Maintenance charges	5,51,74,910	
Miscellaneous Expenses	4,72,771	
	5,81,79,506	
Payment to Auditors	For the Period March 10, 2015 to March 31, 2016	
	Amt in Rs.	
As auditor:		
Audit fee	2,00,000	
Limited review	1,20,000	
	3,20,000	



R.B. Shah

For the Period March 10, 2015

to March 31, 2016

Amt in Rs.

19 Earnings / (loss) per share (EPS)

Loss for calculation of basic and diluted EPS

(71,04,448)

Weighted average number of equity shares in calculating basic and diluted EPS

27,08,915

Basic and Diluted Earning / (loss) per Share in Rupees

(2.62)

20 Contingent liabilities not provided for

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

21 Related Party Disclosures

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

Related parties where control exists.

Ultimate Holding Company	Adani Enterprise Limited [w.e.f. September 3, 2015]
Holding Company	Adani Ports and Special Economic Zone Limited [March 10, 2015 to September 2, 2015] Adani Green Energy Limited [w.e.f. September 3, 2015]
Related parties with whom transaction have been taken place during the period	
Associate Company	Adani Ports and Special Economic Zone Limited [w.e.f. September 3, 2015 to March 5, 2016]
Fellow Subsidiary	Mundra Solar Limited Mundra Solar PV Limited
Entities over which major shareholders of the Company are able to exercise significant influence	Adani Ports and Special Economic Zone Limited [w.e.f. March 5, 2016]

Amt in Rs.

Category	Name of Related Party	March 31, 2016
Land Lease Income	Mundra Solar PV Limited	24,97,73,719
	Mundra Solar Limited	38,31,49,174
Maintenance Income	Mundra Solar PV Limited	12,71,270
	Mundra Solar Limited	19,50,110
Interest	Adani Ports and Special Economic Zone Limited	5,89,13,211
Lease rent and Maintantence	Adani Ports and Special Economic Zone Limited	8,74,84,046
Scrutiny charges	Adani Ports and Special Economic Zone Limited	56,50,513
Services Aailed (including reimbursement of expenses)	Adani Ports and Special Economic Zone Limited	8,10,861
Land Lease Premium paid	Adani Ports and Special Economic Zone Limited	4,14,39,81,040
Loan Taken	Adani Ports and Special Economic Zone Limited	3,28,08,50,000
Loan Repayment	Adani Ports and Special Economic Zone Limited	4,11,00,000
Proceed from issue of Shares	Adani Ports and Special Economic Zone Limited	2,45,00,000
	Mundra Solar PV Limited	1,25,00,000
	Mundra Solar Limited	1,25,00,000

Outstanding balance as at the end of the year

Capital Creditor and Other payables	Adani Ports and Special Economic Zone Limited	1,63,55,24,856
Trade Payable(including Provision)	Adani Ports and Special Economic Zone Limited	96,47,341
Borrowing of Loan	Adani Ports and Special Economic Zone Limited	3,23,97,50,000
Interest Payable on Inter Corporate Deposit	Adani Ports and Special Economic Zone Limited	5,30,21,887
Trade Receivable	Mundra Solar PV Limited	7,35,05,490
	Mundra Solar Limited	54,10,10,534

Sub Notes:

(1) 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.

(2) The company was incorporated as wholly owned subsidiary of Adani Ports and Special Economic Zone Limited, however during the period, APSEZL, holding got diluted through issue of additional shares to other entities / transfer of shareholding.

22 The company has been informed that there are no supplier being covered under the Micro, Small and Medium Enterprises Development Act, 2006.

23 Deferred tax assets on timing difference arising on unabsorbed depreciation / carry forward losses has not been recognised considering the absence of virtual certainty of the profitability against which deferred tax assets can be realised, as required under Accounting Standard 22 – Accounting for Taxes on Income, notified under section 133 of the Companies Act, 2013.



R.B. Shah

24 Details of Employee Benefits

1. The Company has a defined gratuity plan. Every employee who has completed at least 5 years of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. The plan is not funded by the Company.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of Profit and Loss

a) Net Employee benefit expense (recognised in Employee Cost)

Particulars	Amt in Rs.	
	Gratuity (Funded)	For the Period March 10, 2015 to March 31, 2016
Past service cost (liability transferred in)		7,05,357
Current Service cost		1,89,256
Interest Cost on benefit obligation		-
Expected return on plan assets		-
Actuarial loss / (gain) recognised in the year		-
Net benefit expense		8,94,613

Balance Sheet

b) Details of Provision for gratuity

Particulars	Amt in Rs.	
	Gratuity Current	
Present value of defined benefit obligation		8,94,613
Fair value of plan assets		-
Net asset/ (liability)		(8,94,613)

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

Particulars	Amt in Rs.	
	Gratuity (Funded)	For the Period March 10, 2015 to March 31, 2016
Balance at the beginning of the period		-
Past service cost (liability transferred in)		7,05,357
Current Service cost		1,89,256
Interest Cost		-
Actuarial (Gain) /loss on obligations		-
Benefits paid		-
Balance at the end of the period		8,94,613

d) The principle assumptions used in determining Gratuity obligations are as follows:

Particulars	Gratuity Current
Discount rate	7.90%
Rate of Escalation in Salary (per annum)	9.00%
Mortality	India Assured Lives Mortality (2006-08)
Attrition rate	10% for 4 years & below and 1% thereafter

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

e) Amounts for the current and previous four periods are as follows:

Gratuity	Amt in Rs.	
	March 2016	
Defined benefit obligation		8,94,613
Plan Assets		-
Surplus / (deficit)		(8,94,613)
Experience adjustments on plan liabilities -Loss /(Gain)		-
Experience adjustments on plan assets Loss /(Gain)		-



R.B. Shukla

25 Capital Commitments

Particulars	As at March 31, 2016
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	3,77,02,320

Other Commitment

Company has entered into additional land lease agreement with APSEZL for 129.55 acre of land in Mundra SEZ, for development of the electronic manufacturing cluster. In consideration of acquisition of the land on lease basis, Company will pay non-refundable initial one-time payment Rs 1,04,98,78,000.

26 Segment Information

The Company is primarily engaged in the business of development of Electronic Manufacturing Cluster infrastructure. The entire business has been considered as a single segment in terms of Accounting Standard-17 on Segment Reporting notified under section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rule 2014. There being no business outside India, the entire business has been considered as single geographic segment.

- 27** The Company was incorporated on March 10,2015 and this being the first financial statements of the company for the period March 10,2015 to March 31,2016, accordingly, no comparative financials numbers are presented.

As per our report of even date

For S R B C & CO LLP
Firm Registration No.: 324982E/E300003
Chartered Accountants


per Santosh Aggarwal
Partner
Membership No. 93669

Place: Ahmedabad
Date: April 29, 2016



For and on behalf of the Board of Directors of
Mundra Solar Technopark Private Limited


D.P. Joshi
Director
DIN: 05192222

Place: Ahmedabad
Date: April 29, 2016


Rakshit Shah
Director
DIN: 00103501

