

DHARMESH PARIKH & CO.

CHARTERED ACCOUNTANTS

303/304, "Milestone", Nr. Drive-in-Cinema, Opp. T.V Tower, Thaltej,
Ahmedabad-380 054. Phone: 91-79-27474466 Fax: 91-79-27479955

INDEPENDENT AUDITOR'S REPORT

To the Members of MAHAGUJ POWER LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Mahaguj Power Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and 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 stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 the disclosures in the financial statements. The procedures selected depend on the auditor's 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 the 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 standalone financial statements.



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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2016 and its losses and its cash flows for the year ended 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 "Annexure A" statement on the matters specified in the paragraph 3 and 4 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, 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 standalone 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 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - 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.

Place : Ahmedabad
Date : 02/05/2016



For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W


D. A. Parikh
Partner
Membership No. 045501

DHARMESH PARIKH & CO.

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ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT RE: MAHAGUJ POWER LIMITED

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) The company does not have any Fixed Assets. Accordingly, the provisions of paragraph 3 (i) (a) to (c) of the Order are not applicable.
- (ii) The Company has not carried out any commercial activities during the year ended on 31st March, 2016 and hence it does not carry any Inventory. Accordingly the provisions of paragraph 3 (ii) (a) & (b) of the Order are not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted 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 paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public and hence 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 with regard to the deposits accepted from the public are not applicable.
- (vi) The company has not done any commercial activity during the year under review. Accordingly, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, sales tax, duty of customs, value added tax, cess, provident fund and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of above referred statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly the provisions of paragraph 3 (viii) of the Order are not applicable.



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- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place : Ahmedabad
Date : 02/05/2016



For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

A handwritten signature in black ink, appearing to read "D. A. Parikh", written over a horizontal line.

D. A. Parikh
Partner
Membership No. 045501

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF 2013 (the Act)

RE: MAHAGUJ POWER LIMITED

(Referred to in paragraph 2 (f) of our Report of even date)

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 the company as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibilities 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 auditor's judgment, 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;



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- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Place : Ahmedabad
Date : 02/05/2016



For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

A handwritten signature in black ink, appearing to read "D. A. Parikh", written over a light blue horizontal line.

D. A. Parikh
Partner
Membership No. 045501

MAHAGUJ POWER LIMITED
Balance Sheet as at 31 March 2016

| | | (Amt. in Rupees) | |
|---|-------|----------------------|----------------------|
| | Notes | As at 31-Mar-2016 | As at 31-Mar-2015 |
| I. EQUITY AND LIABILITIES | | | |
| a) Shareholders' Funds | | | |
| Share Capital | 3 | 5,00,000 | 5,00,000 |
| Reserves and Surplus | 4 | (5,14,997) | (3,33,960) |
| Money Received Against Share Warrants | | - | - |
| | | (14,997) | 1,66,040 |
| b) Share Application Money Pending Allotment | | | |
| | | - | - |
| c) Non-Current Liabilities | | | |
| Long Term Borrowings | 5 | 12,47,965 | 11,16,999 |
| Other Long Term Liabilities | | - | - |
| Long Term Provisions | | - | - |
| | | 12,47,965 | 11,16,999 |
| d) Current Liabilities | | | |
| Short Term Borrowings | | - | - |
| Trade Payables | | - | - |
| Other Current Liabilities | 6 | 21,394 | 23,211 |
| Short Term Provisions | | - | - |
| | | 21,394 | 23,211 |
| Total | | 12,54,362 | 13,06,250 |
| II. ASSETS | | | |
| a) Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | | - | - |
| Intangible Assets | | - | - |
| Capital Work-In-Progress | 7 | 12,20,326 | 12,20,326 |
| Intangible Assets Under Development | | - | - |
| | | 12,20,326 | 12,20,326 |
| Non-Current Investments | | - | - |
| Deferred Tax Assets (net) | 15 | - | - |
| Long Term Loans & Advances | | - | - |
| Other Non-Current Assets | | - | - |
| | | 12,20,326 | 12,20,326 |
| b) Current Assets | | | |
| Current Investments | | - | - |
| Inventories | | - | - |
| Trade Receivables | | - | - |
| Cash and Cash Equivalents | 8 | 34,036 | 85,924 |
| Short Term Loans & Advances | | - | - |
| Other Current Assets | | - | - |
| | | 34,036 | 85,924 |
| Total | | 12,54,362 | 13,06,250 |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **Dharmesh Parikh & Co.**
Chartered Accountants
Firm Registration Number : 112054W

For and on behalf of the board of directors of
Mahaguj Power Limited

D. A. Parikh
Partner
Membership No. 045501

Place : Ahmedabad
Date : 02/05/2016

Jatinkumar Jalundhwala
Director
DIN : 00137888

Place : Ahmedabad
Date : 02/05/2016

Rajendra Ingale
Director
DIN : 05304897

MAHAGUJ POWER LIMITED**Statement of Profit and Loss for the year ended on 31 March 2016**

(Amt in Rupees)

| | Notes | For the year ended 31-Mar-2016 | For the year ended 31-Mar-2015 |
|---|-------|-----------------------------------|-----------------------------------|
| a) Income | | | |
| Revenue from Operations (Gross) | | - | - |
| Less : Excise Duty | | - | - |
| Revenue from Operations (Net) | | - | - |
| Other Income | | - | - |
| Total Revenue | | - | - |
| b) Expenses | | | |
| Cost of Materials Consumed | | - | - |
| Purchases of Stock-In-Trade | | - | - |
| Changes in Inventories | | - | - |
| Employee Benefits Expense | | - | - |
| Finance Costs | 9 | 1,44,709 | 1,32,247 |
| Depreciation and Amortisation Expense | | - | - |
| Other Expenses | 10 | 36,328 | 28,776 |
| Total Expenses | | 1,81,037 | 1,61,023 |
| c) Profit / (Loss) Before Exceptional & Extra-Ordinary Items and Tax | | (1,81,037) | (1,61,023) |
| Exceptional Items | | - | - |
| Extra-Ordinary Items | | - | - |
| d) Profit / (Loss) Before Tax | | (1,81,037) | (1,61,023) |
| e) Tax Expense | | | |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| Total Tax Expenses | | - | - |
| f) Profit / (Loss) For The Year | | (1,81,037) | (1,61,023) |
| g) Earning per Equity Share (Face value of Rs.10 each) | 14 | | |
| Basic | | (3.62) | (3.22) |
| Diluted | | (3.62) | (3.22) |
| Summary of significant accounting policies | 2 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **Dharmesh Parikh & Co.**
Chartered Accountants
Firm Registration Number : 112054W

For and on behalf of the board of directors of
Mahaguj Power Limited

D. A. Parikh
Partner
Membership No. 045501

Place : Ahmedabad
Date : 02/05/2016

Jatinkumar Jalundhwala
Director
DIN : 00137888

Place : Ahmedabad
Date : 02/05/2016

Rajendra Ingale
Director
DIN : 05304897

MAHAGUJ POWER LIMITED

Cash Flow Statement for the year ended on 31 March 2016

| | (Amt in Rupees) | |
|---|-----------------------------------|-----------------------------------|
| | For the year ended 31-Mar-2016 | For the year ended 31-Mar-2015 |
| I. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / (Loss) Before Tax | (1,81,037) | (1,61,023) |
| Adjustment on account of : | | |
| Non-Cash Items to Reconcile Net Cash Flows | - | - |
| Investing and Financing Activities | 1,44,709 | 1,32,247 |
| Operating Profit / (Loss) Before Working Capital Changes | (36,328) | (28,776) |
| Movements in Working Capital : | | |
| Decrease / (Increase) in Current Assets | - | - |
| Increase / (Decrease) in Current Liabilities | (1,817) | 7,852 |
| Cash Flow from Operations | (38,145) | (20,924) |
| Less : Direct Taxes Paid | - | - |
| Net Cash Flow From Operating Activities | (38,145) | (20,924) |
| II. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Preliminary Expenses | - | - |
| Changes in Capital Work-In-Progress | - | - |
| Net Cash Flow From Investing Activities | - | - |
| III. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds From Issuance of Share Capital | - | - |
| Proceeds From Long Term Borrowings | - | - |
| Finance Costs paid | (13,743) | (15,248) |
| Net Cash Flow From Financing Activities | (13,743) | (15,248) |
| Net Increase / (Decrease) in Cash & Cash Equivalents | (51,888) | (36,172) |
| Cash & Cash Equivalents at the beginning of the year | 85,924 | 1,22,096 |
| Cash & Cash Equivalents at the end of the year | 34,036 | 85,924 |

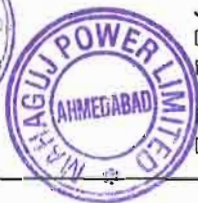
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **Dharmesh Parikh & Co.**
Chartered Accountants
Firm Registration Number : 112054W

For and on behalf of the board of directors of
Mahaguj Power Limited

D. A. Parikh
Partner
Membership No. 045501

Place : Ahmedabad
Date : 02/05/2016



Jatinkumar Jalundhwala
Director
DIN : 00137888

Place : Ahmedabad
Date : 02/05/2016

Rajendra Ingale
Director
DIN : 05304897

1 Nature of Operation

MahaGuj Power Limited was incorporated under the Companies Act, 1956. The company plans to set up a Thermal Power Plant in the state of Orissa. The company is awaiting regulatory and other administrative approvals to commence development works at site. Considering the facts, the accounts are prepared under going concern basis.

2 Summary of Significant Accounting Policies**a) Basis of Preparation**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under section 211(3C) of the Companies Act, 1956 ("the 1956 Act"), which continues to be applicable as per section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.

The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

c) Current & Non-Current Classification

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

d) Cash And Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any attributable cost of bringing the asset to working condition for its intended use i.e. cost of acquisition of assets and incidental expenditure incurred upto the date of installation / use.

Project Development Expenditure

Expenditure incurred relating to project under commissioning for commercial operation of services are classified as Project Development Expenditure and disclosed under fixed assets. The same would be allocated to the respective fixed assets on completion of construction / erection of capital assets.

g) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs including interest cost during temporary suspension are charged to revenue.

h) Related Party Transactions

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party disclosures" prescribed under The Companies (Accounting Standards) Rules, 2006 (as amended) has been set out in a separate note. Related Parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representation made by key managerial personnel and information available with the Company.



i) Earnings Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 prescribed under The Companies (Accounting Standards) Rules, 2006 (as amended). The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

j) Taxes on Income
i) Deferred Taxation

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, prescribed under The Companies (Accounting Standards) Rules, 2006 (as amended), the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet Date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

ii) Current Taxation

In the absence of any taxable income, provision for taxation has not been made in accordance with the income tax laws prevailing for the relevant assessment year.

k) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial

l) Applicability of other Accounting Standards

Though other Accounting Standards also apply to the company by virtue of the Companies (Accounting Standards) Rules 2006 (as amended), no disclosure for the same is being made as the company has not done any transaction to which the said Accounting Standard apply.

3 Share Capital

| | Amt in Rs. | |
|---|----------------------|----------------------|
| | As at 31-Mar-2016 | As at 31-Mar-2015 |
| Authorised shares | | |
| 50,000 Equity shares of Rs. 10/- each | 5,00,000 | 5,00,000 |
| Issued, subscribed fully paid-up shares | | |
| 50,000 Equity shares of Rs. 10/- each fully paid | 5,00,000 | 5,00,000 |
| Total issued, subscribed and fully paid-up share capital | 5,00,000 | 5,00,000 |

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

| | As at 31-Mar-2016 | | As at 31-Mar-2015 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | Numbers | Amt in Rs. | Numbers | Amt in Rs. |
| Equity Shares | | | | |
| At the beginning of the period | 50,000 | 5,00,000 | 50,000 | 5,00,000 |
| Issued during the period | - | - | - | - |
| Outstanding at the end of the period | 50,000 | 5,00,000 | 50,000 | 5,00,000 |

b. Terms / rights attached to equity shares

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, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company.

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 together with its nominees are as below :

| | As at 31-Mar-2016 | | As at 31-Mar-2015 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | Numbers | Amt in Rs. | Numbers | Amt in Rs. |
| Equity Shares by Holding Company | | | | |
| Adani Enterprises Limited | 50,000 | 5,00,000 | 50,000 | 5,00,000 |
| (Refer note 16(a)) | 50,000 | 5,00,000 | 50,000 | 5,00,000 |



MAHAGUJ POWER LIMITED

Notes to Financial Statements for the year ended 31 March 2016

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

| Equity Shares by Holding Company | As at 31-Mar-2016 | | As at 31-Mar-2015 | |
|---|-------------------|------------------------|-------------------|------------------------|
| | Numbers | % holding in the class | Numbers | % holding in the class |
| Adani Enterprises Limited (together with its nominees) (Refer note 16(a)) | 50,000 | 100% | 50,000 | 100% |
| | 50,000 | 100% | 50,000 | 100% |

4 Reserves and Surplus

Surplus / (deficit) in the statement of profit and loss

Balance as per last financial statements

Loss for the year

Net surplus / (deficit)

Total Reserves and Surplus

| Amt in Rs. | |
|-------------------|-------------------|
| As at 31-Mar-2016 | As at 31-Mar-2015 |
| (3,33,960) | (1,72,937) |
| (1,81,037) | (1,61,023) |
| (5,14,997) | (3,33,960) |
| (5,14,997) | (3,33,960) |

5 Long-term borrowings

Loan from Holding Company

The above amount includes

Secured borrowings

Unsecured borrowings

| Amt in Rs. | |
|-------------------|-------------------|
| As at 31-Mar-2016 | As at 31-Mar-2015 |
| 12,47,965 | 11,16,999 |
| 12,47,965 | 11,16,999 |
| - | - |
| 12,47,965 | 11,16,999 |
| 12,47,965 | 11,16,999 |

Note :

Unsecured Corporate Loan is received from the holding company for long-term purposes and it carries an interest rate of 11% p.a.. As per agreement, it will become repayable after one year, which will be extended for further period.

6 Other Current Liabilities

Expenses Payable
Provision for Audit Fees
Statutory Liabilities

| Amt in Rs. | |
|-------------------|-------------------|
| As at 31-Mar-2016 | As at 31-Mar-2015 |
| 4,123 | 8,769 |
| 14,313 | 11,236 |
| 2,958 | 3,206 |
| 21,394 | 23,211 |

7 Capital Work-In-Progress

Project Development Expenditure

Application Fees
Professional Fees
Interest & Bank Charges
Office Expenses

| Amt in Rs. | |
|-------------------|-------------------|
| As at 31-Mar-2016 | As at 31-Mar-2015 |
| 3,00,000 | 3,00,000 |
| 9,16,808 | 9,16,808 |
| 2,808 | 2,808 |
| 710 | 710 |
| 12,20,326 | 12,20,326 |

8 Cash and Cash Equivalents

Cash-In-Hand

Balance with banks

In current accounts

| Amt in Rs. | |
|-------------------|-------------------|
| As at 31-Mar-2016 | As at 31-Mar-2015 |
| - | - |
| 34,036 | 85,924 |
| 34,036 | 85,924 |



MAHAGUJ POWER LIMITED

Notes to Financial Statements for the year ended 31 March 2016

9 Finance Costs

| | Amt in Rs. | |
|------------------|--------------------------------|--------------------------------|
| | For the year ended 31-Mar-2016 | For the year ended 31-Mar-2015 |
| Bank Charges | 4,527 | 2,247 |
| Interest Expense | 1,40,182 | 1,30,000 |
| | 1,44,709 | 1,32,247 |

10 Other Expenses

(as disclosed in Statement of Profit and Loss)

| | Amt in Rs. | |
|----------------------------|--------------------------------|--------------------------------|
| | For the year ended 31-Mar-2016 | For the year ended 31-Mar-2015 |
| Legal & Professional Fees | 6,160 | 6,969 |
| Payment to Auditors | | |
| Statutory Audit Fees | 17,163 | 11,236 |
| Other Attestation Services | 13,005 | 10,571 |
| | 36,328 | 28,776 |

11 Contingent Liabilities & Commitments

(to the extent not provided for)

| | Amt in Rs. | |
|---|-------------------|-------------------|
| | As at 31-Mar-2016 | As at 31-Mar-2015 |
| Contingent Liabilities | 11,440 | - |
| Claims not acknowledged as debts | | |
| Commitments | - | - |
| Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for | | |
| | 11,440 | - |

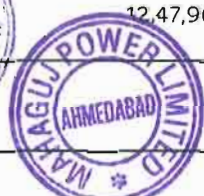
12 Disclosures under MSMED Act

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

13 Related Parties

| | | |
|--|---|--|
| Holding Company | : | Adani Enterprises Limited (Refer note 16(a)) |
| Subsidiary Company | : | Nil |
| Fellow Subsidiary Company | : | Nil |
| <i>(with transactions during the year)</i> | | |
| Associates | : | Nil |
| Key Management Personnel | : | Mr. Samir Vora |
| | | Mr. Jatinkumar Jalundhwala |
| | | Mr. Rajendra Ingale (w.e.f. 22-Mar-16) |
| | | Mr. Devang Desai (ceased w.e.f. 22-Mar-16) |

| Information in respect of Related Parties | | (Amt in Rs.) | |
|---|-----------------------------|-------------------|-------------------|
| | | As at 31-Mar-2016 | As at 31-Mar-2015 |
| <u>Interest Expense</u> | | | |
| Holding Company | : Adani Enterprises Limited | 1,40,038 | 1,30,000 |
| <u>Unsecured Loan Balance</u> | | | |
| Holding Company | : Adani Enterprises Limited | 12,47,965 | 11,16,999 |



MAHAGUJ POWER LIMITED**Notes to Financial Statements for the year ended 31 March 2016****14 Earning Per Share (EPS)**

| | Amt in Rs. | |
|--|--------------------------------|--------------------------------|
| | For the year ended 31-Mar-2016 | For the year ended 31-Mar-2015 |
| Profit / (Loss) for calculation of basic and diluted EPS | (1,81,037) | (1,61,023) |
| Weighted average number of equity shares for calculating Basic EPS | 50,000 | 50,000 |
| Weighted average number of equity shares for calculating Diluted EPS | 50,000 | 50,000 |
| Face value of equity shares | 10 | 10 |
| Basic Earning Per Share (in Rupees) | (3.62) | (3.22) |
| Diluted Earning Per Share (in Rupees) | (3.62) | (3.22) |

15 Deferred Tax Liability / Asset (net)

| | Amt in Rs. | |
|---------------------------------|-------------------|-------------------|
| | As at 31-Mar-2016 | As at 31-Mar-2015 |
| Deferred Tax Liabilities | - | - |
| Deferred Tax Assets | | |
| Carried Forward Losses | 54,689 | 82,783 |
| Preliminary Expenses | - | 1,545 |
| Net Deferred Tax Assets | (54,689) | (84,328) |

In accordance with the Accounting Standard 22, the net deferred tax assets of Rs. 54,689/- (Previous Year Rs. 84,328/-) has not been recognised because there is no reasonable certainty as to when the assets can be realised.

16 Other Disclosures

- (a) W.e.f. 1-Apr-2015, erstwhile holding company Adani Mining Private Limited has been merged with ultimate holding company Adani Enterprises Limited. Accordingly, all references to Adani Mining Private Limited in financials and notes to accounts have been replaced with Adani Enterprises Limited.
- (b) In the opinion of the management and to the best of their knowledge and belief, the value under the head of Current and Non-Current Assets (other than Fixed Assets and Non-Current Investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

(c) Other Statutory Information :

| | Amt in Rs. | |
|--|--------------------------------|--------------------------------|
| | For the year ended 31-Mar-2016 | For the year ended 31-Mar-2015 |
| Value of imports calculated on CIF basis | Nil | Nil |
| Expenditure in Foreign Currency | Nil | Nil |
| Earnings in Foreign Currency | Nil | Nil |

- (d) The financial statements of the company are prepared on going concern basis despite the company having negative net worth as it continues to receive financial support from Adani Enterprises Limited (Holding Company).

17 Previous Year Comparatives

Previous year's figures have been recast, regrouped and rearranged, wherever necessary to conform to this year's classification. Further, the figures have been rounded off to the nearest rupee.

As per our report of even date
For **Dharmesh Parikh & Co.**
Chartered Accountants
Firm Registration Number : 112054W

D. A. Parikh
Partner
Membership No. 045501

Place : Ahmedabad
Date : 02/05/2016

For and on behalf of the board of directors of
Mahaguj Power Limited

Jatinkumar Jalundhwala
Director
DIN : 00137888

Place : Ahmedabad
Date : 02/05/2016

Rajendra Ingale
Director
DIN : 05304897