

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 KUTCH POWER GENERATION LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Kutch Power Generation 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

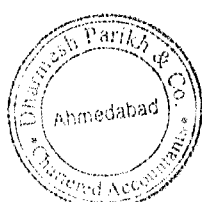
Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements read with the Matter of Emphasis paragraph given below 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.

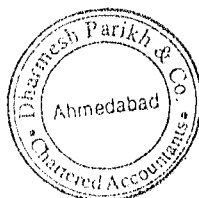
Matter of Emphasis

We draw attention to Note No. 21 of the Financial Statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the company has incurred net cash loss during the current as well as previous financial year and the company also has a negative net current assets position. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the accompanying financial statements have been prepared under the going concern assumption considering the continuing financial support from the parent company.

Our opinion is not modified in respect of this matter.

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", 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) The going concern matter described in the Emphasis of matter paragraph above, in our opinion, may have an adverse impact on the functioning of the company.
 - f) 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;
 - g) 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";



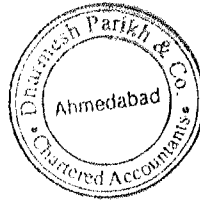
DHARMESH PARIKH & CO.

CHARTERED ACCOUNTANTS

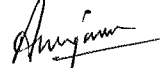
303/304, "Milestone", Nr. Drive-in-Cinema, Opp. T.V Tower, Thaltej,
Ahmedabad-380 054. **Phone: 91-79-27474466 Fax: 91-79-27479955**

- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Ahmedabad
Date : 28th April 2016



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


Anuj Jain
Partner
Membership No. 119140

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

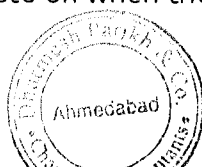
ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT RE: KUTCH POWER GENERATION LIMITED

(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) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme which, in our opinion, is reasonable looking to the size of the Company and the nature of its business.
 - (c) The title deeds of immovable properties, as disclosed in Note 10 on fixed assets to the financial statements, are held in the name of the Company.
- (ii) The Company is in the project development stage and has not carried out any commercial activities during the year ended on 31st March, 2016 and hence it does not carry any Inventory as defined under Accounting Standard 2 – Valuation of inventories. Accordingly the provisions of paragraph 3 (ii) 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) In our opinion and according to the information and explanation given to us, 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. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- (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 information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax and any other material statutory dues applicable to it with the appropriate authorities.

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



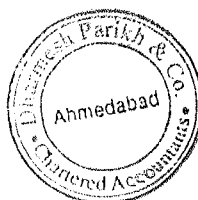
DHARMESH PARIKH & CO.

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

- (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.
- (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 : 28th April 2016



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

A handwritten signature in black ink, appearing to read "Anuj Jain".

Anuj Jain
Partner
Membership No. 119140

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

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT RE: KUTCH POWER GENERATION LIMITED

(Referred to in paragraph 2 (g) 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;



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

- (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.

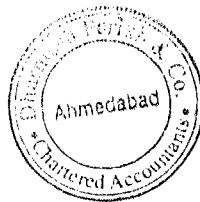
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 : 28th April 2016



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

Anuj Jain
Partner
Membership No. 119140

KUTCHH POWER GENERATION LIMITED
Balance Sheet as at 31st March, 2016



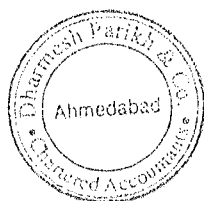
	Notes	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	500,000	500,000
Reserves and Surplus	4	(356,199,272)	(181,345,082)
		<u>(355,699,272)</u>	<u>(180,845,082)</u>
Current Liabilities			
Short-term Borrowings	5	1,183,938,435	44,431,324,614
Trade Payables	6	98,067	249,960,385
Other Current Liabilities	7	1,402,015	14,225,161
		<u>1,185,438,517</u>	<u>44,695,510,160</u>
Total		<u>829,739,245</u>	<u>44,514,665,078</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	13,292,730	13,292,730
Capital Work-In-Progress	9	599,031,543	712,769,546
		<u>612,324,273</u>	<u>726,062,276</u>
Long-term Loans and Advances	10	151,992,221	43,540,802,455
		<u>764,316,494</u>	<u>44,266,864,731</u>
Current Assets			
Current Investments	11	50,000	-
Trade receivables	12	-	247,491,300
Cash and Cash Equivalents	13	11,240	309,047
Other Current Assets	14	65,361,511	-
		<u>65,422,751</u>	<u>247,800,347</u>
Total		<u>829,739,245</u>	<u>44,514,665,078</u>

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 No. 112054W

ANUJ JAIN
Partner
Member No.119140



Place : Ahmedabad
Date : 28th April, 2016

For and on behalf of board of directors

VIRENDRA KASLIWAL **M.R. KRISHNA RAO**
DIRECTOR DIRECTOR
DIN No. 07180043 DIN No.06495315

Place : Ahmedabad
Date : 28th April, 2016

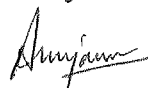
Statement of Profit and Loss for the year ended 31st March, 2016

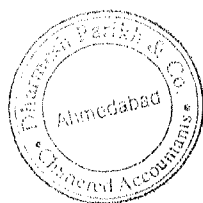
	Notes	For the year ended 31st March, 2016 (Amount in ₹)	For the year ended 31st March, 2015 (Amount in ₹)
Revenue from Operations	15	-	235,706,000
Other Income	16	1,965,048,855	96,288,294
		<u>1,965,048,855</u>	<u>331,994,294</u>
Expenses			
Purchase of Traded Goods		-	237,950,500
Finance Costs	17	2,025,722,051	191,788,879
Depreciation and Impairment Expenses	9	113,738,003	-
Other Expenses	18	434,271	135,557
Total Expenses		<u>2,139,894,325</u>	<u>429,874,936</u>
Loss before tax		<u>(174,845,470)</u>	<u>(97,880,642)</u>
Tax Expenses:			
Current Tax		-	-
Adjustment for Earlier Years		8,720	-
Deferred Tax		-	-
Loss after tax		<u>(174,854,190)</u>	<u>(97,880,642)</u>
Earnings per share (EPS) (Face Value of ₹ 10 Per Share)	24		
Basic and Diluted EPS (₹)		(3,497.08)	(1,957.61)

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 No. 112054W


ANUJ JAIN
Partner
Member No.119140



Place : Ahmedabad
Date : 28th April, 2016

For and on behalf of board of directors


VIRENDRA KASLIWAL
DIRECTOR
DIN No. 07180043


M.R.KRISHNA RAO
DIRECTOR
DIN No.06495315

Place : Ahmedabad
Date : 28th April, 2016

	For the year ended on 31st March 2016 (Amount in ₹)	For the year ended on 31st March 2015 (Amount in ₹)
A. Cash flow from operating activities		
Loss before tax as per Statement of Profit and Loss	(174,845,470)	(97,880,642)
Adjustment for:		
Interest Income	(1,965,018,979)	(96,067,652)
Gain on sale of units of mutual fund	(29,876)	(220,642)
Depreciation and Impairment Expenses	113,738,003	-
Finance Costs	2,025,722,051	191,788,879
Operating profit before working capital changes	(434,271)	(2,380,057)
Change in Working Capital :		
(Increase) / Decrease in Operating Assets:		
Long-term Loans and Advances	-	(112,225)
Trade Receivables	247,491,300	(247,491,300)
	247,491,300	(247,603,525)
Increase / (Decrease) in Operating Liabilities :		
Trade Payables	(249,862,318)	249,859,261
Other Current Liabilities	(10,792,074)	11,797,102
	(260,654,392)	261,656,363
Cash generated from operations	(13,597,363)	11,672,781
Net Income Tax Paid	(1,965,019)	(4,129,335)
Adjustment for Earlier Years	(8,720)	-
Net cash from / (used in) operating activities	(15,571,102)	7,543,446
B. Cash flow from investing activities		
Capital Expenditure on Fixed Assets, Capital Work-in-Progress and Capital Advances	(1,994,253)	(17,735,129)
Long-term Loans and Advances to related party	45,355,757,413	(43,295,251,285)
Interest Income Received	(65,361,511)	-
Purchase of Current Investments	(4,450,000)	(8,400,000)
Proceeds from sale of Current Investments	4,429,876	8,620,642
Net cash from / (used) in investing activities	45,288,381,525	(43,312,765,772)
C. Cash flow from financing activities		
Proceeds from Short-term Borrowings	223,715,247	43,497,178,301
Repayment of Short-term Borrowings	(43,471,101,426)	-
Finance Costs Paid	(2,025,722,051)	(191,788,879)
Net cash generated from / (used) in financing activities	(45,273,108,230)	43,305,389,422
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(297,807)	167,096
Cash and Cash Equivalents at the beginning of the year	309,047	141,951
Cash and Cash Equivalents at the end of the year (Refer Note 13)	11,240	309,047

1 Previous year's figures have been restated wherever necessary, to conform to current year's classification.

2 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement'.

3 Previous figures have been restated wherever necessary, to conform to current year's classification.

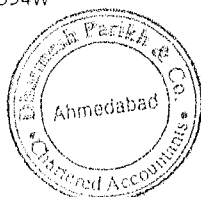
Summary of significant accounting policies

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 No. 112054W

ANUJ JAIN
Partner
Member No.119140



Place : Ahmedabad
Date : 28th April, 2016

For and on behalf of board of directors

VIRENDRA KASLIWAL
DIRECTOR
DIN No. 07180043

Place : Ahmedabad
Date : 28th April, 2016

M.R.KRISHNA RAO
DIRECTOR
DIN No.05495315

Notes to financial statements for the year ended 31st March, 2016

1 Corporate information

Kutchh Power Generation Limited (the Company) is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a subsidiary of Adani Enterprises Limited. The company has earlier planned to set up power plant with a total capacity of 3300 MW, but management has now decided to set up 4000 MW capacity thermal power plant. Company is also engaged in trading in merchandise goods besides power generation. The Company is currently developing the basic infrastructure facilities for the power projects and has suspended the order for equipment supply due to technical reasons.

2 Significant accounting policies**a Basis of Preparation of Financial Statements**

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 the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under 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 the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in 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 the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c Tangible Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises of its purchase price, any non-refundable duties and taxes and any attributable cost for bringing the assets ready for their intended use. Borrowing costs directly attributable to qualifying assets / capital projects are capitalized and included in the cost of fixed assets to the extent they relate to the period till such assets are ready for their intended use.

d Investments

Long term investments are carried at cost. Provision for diminution in the value of long-term investments is made only if, such a decline is other than temporary in the opinion of the management. Current Investments are carried at lower of cost or fair value.

e Project Development Expenditure / Capital Work-in-Progress

Expenditure related to and incurred during implementation of capital projects is included under "Capital Work in Progress" or "Project Development Expenditure" as the case may be. The same is allocated to the respective fixed assets on completion of construction/ erection of the capital project/ fixed assets.

f Depreciation

Depreciation on fixed assets has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in case of the power plant assets, in whose case the life of the assets will be estimated based on technical assessment, taking into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support etc.

g Revenue recognition

i) Revenue from sale of goods is recognised, net of return and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customer. Sales excludes sales tax and value added tax.

ii) Interest income is accounted for on an accrual basis. Dividend income is accounted for when the right to receive income is established.

h Impairment of Assets

The carrying values of assets / cash generating units are reviewed for impairment at each balance sheet date. If any indication of impairment exists, the recoverable amount is estimated. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. An asset is treated as impaired when the carrying value of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

i 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

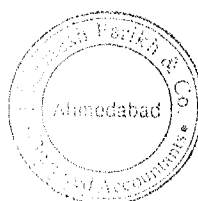
j Foreign exchange transactions

i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction

ii) Monetary items denominated in foreign currencies outstanding at the balance sheet date are restated at the rates prevailing on that date. The exchange differences arising on settlement / restatement of long term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier and charged to the Statement of Profit and Loss. Exchange differences arising on settlement / restatement of short term foreign currency monetary items are recognized as income or expense in the Statement of Profit and Loss.

iii) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as the balance sheet date. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense in the period in which such cancellation or renewal is made.

iv) Non monetary foreign currency items are carried at cost.



Notes to financial statements for the year ended 31st March, 2016

k Earnings per share:

Basic earnings per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares.

l Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

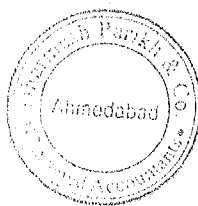
Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in Statement of Profit & Loss.

m Provisions, contingent liabilities and contingent assets

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

n Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non - current.



Notes to financial statements for the year ended 31st March, 2016

3 Share Capital

	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Authorised Share Capital 50,000 (As at 31st March, 2015 - 50,000) Equity Shares of ₹ 10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and fully paid-up equity shares 50,000 (As at 31st March, 2015 - 50,000) equity share of ₹ 10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

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

	As at 31st March, 2016		As at 31st March, 2015	
	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to vote per share. In the event of liquidation of the Company, the holder of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the share holders.

c. Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as under:

	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Adani Enterprises Limited 50,000 (As at 31st March, 2015 - 50,000) equity shares of ₹ 10 each fully paid	500,000	500,000

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

	As at 31st March, 2016		As at 31st March, 2015	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity share of ₹ 10 each fully paid				
Adani Enterprises Limited	50,000	100%	50,000	100%
	<u>50,000</u>	<u>100%</u>	<u>50,000</u>	<u>100%</u>

4 Reserves and Surplus

	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Deficit in the Statement of Profit and Loss		
Opening Balance	(181,345,082)	(83,464,440)
Add : Loss for the year	(174,854,190)	(97,880,642)
Closing Balance	<u>(356,199,272)</u>	<u>(181,345,082)</u>

5 Short-term Borrowings

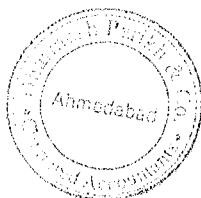
	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Unsecured borrowings From Related Party	1,183,938,435	44,431,324,614
Total	<u>1,183,938,435</u>	<u>44,431,324,614</u>

6 Trade Payables

	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Other than Acceptances (Refer Note 22)	98,067	249,960,385
Total	<u>98,067</u>	<u>249,960,385</u>

7 Other Current Liabilities

	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Payable on purchase of fixed assets	233,335	636,869
Statutory liabilities	1,096,980	11,889,054
Retention Money payable on purchase of fixed assets	71,700	1,699,238
Total	<u>1,402,015</u>	<u>14,225,161</u>



8 FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block (at cost)			Depreciation and Amortisation			Net Block	
	As at 1st April, 2015	Additions during the year	Deductions during the year	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions during the year	As at 31st March, 2016
Tangible Assets								
Land (Free hold)	13,292,730	-	-	13,292,730	-	-	-	13,292,730
Total Fixed Assets	13,292,730	-	-	13,292,730	-	-	-	13,292,730
Previous Year	13,292,730	-	-	13,292,730	-	-	-	13,292,730



Notes to financial statements for the year ended 31st March, 2016

9 Capital Work-in-Progress		
	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
9.1 Capital Work-in-Progress	599,031,543	712,769,546
*Above includes Project Development Expenditure as under:		
Opening balance:	679,239,122	679,239,122
Add : Incurred during the year	-	-
Less: Capitalised during the year	-	-
Less: Impairment during the year	113,738,003	-
Closing Balance	565,501,119	679,239,122
10 Long-term Loans and Advances (Unsecured, considered good, unless otherwise stated)	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Capital Advances	140,321,262	140,358,081
Advance Income Tax	11,513,734	9,548,715
Balances with government authorities	157,225	157,225
Long Term Loans and Advances to Related Party	-	43,390,738,434
Total	151,992,221	43,540,902,455
11 Current Investments	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
(At lower of Cost and Net Realisable Value)		
Investment in Mutual Fund (Unquoted)		
21.913 Units of ₹ 1000 each of Reliance Liquidity Fund - Direct GrowthPlan Growth Option	50,000	-
Total	50,000	-
Aggregate value of Unquoted investments		
- Cost	50,000	
- Net Asset Value (NAV)	50,041	
12 Trade Receivables	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Outstanding for a period less than six months from the date due for payment (Unsecured, considered good)		247,491,200
		247,491,300
13 Cash and Cash Equivalents	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Balances with banks		
in current accounts	11,240	309,047
Total	11,240	309,047
14 Other Current Assets	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Interest accrued and due from Related Party	65,361,511	-
	65,361,511	-
15 Revenue from Operations	For the year ended 31st March, 2016 (Amount in ₹)	For the year ended 31st March, 2015 (Amount in ₹)
Revenue from Trading Activities		235,706,000
Total	-	235,706,000



Notes to financial statements for the year ended 31st March, 2016

16 Other Income

	For the year ended 31st March, 2016 (Amount in ₹)	For the year ended 31st March, 2015 (Amount in ₹)
Interest Income from Income Tax Refund	-	580,503
Gain on Sale of Units of Mutual Funds	29,876	220,642
Interest Income from long-term loans and advances given	1,965,018,979	95,487,149
	1,965,048,855	96,288,294

17 Finance Costs

	For the year ended 31st March, 2016 (Amount in ₹)	For the year ended 31st March, 2015 (Amount in ₹)
Interest on Loans	2,025,722,051	191,788,879
Total	2,025,722,051	191,788,879

18 Other Expenses

	For the year ended 31st March, 2016 (Amount in ₹)	For the year ended 31st March, 2015 (Amount in ₹)
Legal and Professional Fees	38,912	20,797
Rates and Taxes	36,819	-
Payment to Auditors - Audit fees	80,150	112,360
Miscellaneous Expenses	2,398	2,400
Contractual Manpower Expenses	211,836	-
Director Sitting Fees	64,156	-
Total	434,271	135,557

19 Contingent Liabilities and Capital & Other Commitments:

Contingent Liabilities - ₹ Nil (Previous Year ₹ Nil)

Estimated amount of contract remaining to be executed on capital & Other Commitments on account and not provided for ₹ 37,21,250 (As at 31 March, 2015 - ₹ 16,48,274)

20 In the opinion of the management and to the best of their knowledge and belief, the values under the head of current assets are approximately of the value stated, if realized in the ordinary course of business, unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

21 The Company has obtained majority of the clearances for execution of 4000 MW of Power Project at Bhadreshwar and is currently developing the basic infrastructure facilities for the project. The financial closure of the project will be pursued upon firming up of the Power Purchase Agreement and coal supplies which are in advanced stage. Considering these factors and the financial support from the holding Company, though the current liabilities (which mainly comprise of ₹ 1183,938,435 as short term borrowing from holding company), exceed current assets by ₹ 1120,015,766 the financial statements have been prepared on a going concern basis and no adjustments to the carrying values of assets and liabilities is considered necessary by the Management at this stage.

22 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date. The above information 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.

23 Payment to Auditors comprise of (Inclusive of Service tax) :

	For the year ended 31st March, 2016 (Amount in ₹)	For the year ended 31st March, 2015 (Amount in ₹)
Audit fees	80,150	112,360
Total	80,150	112,360

24 Pursuant to the Accounting Standard (AS- 20) - Earnings per Share, the disclosure is as under:

		For the year ended 31st March 2016 (Amount in ₹)	For the year ended 31st March, 2015 (Amount in ₹)
Basic and Diluted EPS			
Loss attributable to equity shareholders	₹	(174,854,190)	(97,080,642)
Weighted average number of equity shares outstanding during the year	No	50,000	50,000
Nominal Value of equity share	₹	10	10
Basic and Diluted EPS	₹	(3,497.08)	(1,957.61)



Notes to financial statements for the year ended 31st March, 2016

25 Related party transactions

a. List of related parties and relationship

Ultimate Controlling Entity	S B Adani Family trust (SBAFT)
Holding Company	Adani Enterprises Limited
Entities under common control (with whom transaction are done)	Adani Power Limited Adani Ports & Special Economic Zone Ltd
Key Management Personnel	Mr. Virendra Kasliwal, Director Mr. Jatinder Bhatnagar, Director Mr. M R Krishna Rao, Director

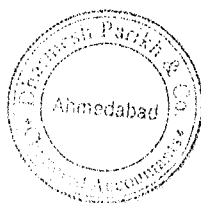
b. Transaction with related parties

Related Party	Relation	Nature of Transaction	For the year ended 31st March, 2016 (Amount in ₹)	For the year ended 31st March, 2015 (Amount in ₹)
Adani Enterprises Limited	Holding Company	Loan Repayment	43,47,11,01,426	-
		Loan taken	22,37,15,247	43,49,71,78,302
		Interest on loan	2,02,57,20,003	19,17,87,324
Adani Power Limited	Entities under common control	Loan received back	43,39,17,38,434	-
		Loans Given	10,00,000	43,39,07,38,434
		Interest Income on Loan	1,96,50,18,979	9,54,87,149

Note: The transactions with related parties during the year are shown net of taxes

c. Balances with related parties

Related Party	Relation	As at 31st March, 2016 (Amount in ₹)	As at 31st March, 2015 (Amount in ₹)
Adani Enterprises Limited	Holding Company	118,39,38,435 Cr	44,43,13,24,614 Cr
Adani Power Limited	Entities under common control	6,53,61,511 Dr	43,39,07,38,434 Dr
Adani Ports & Special Economic Zone Ltd		32,052,150 Dr	32,052,150 Dr



26 The Company has identified business segments as the primary segment. The Company's operations pre-dominantly relates to setting up of its power project and trading of agricultural commodities. Accordingly, the Company has identified "Power Projects" and "Trading Business" as the operating segments, consisting of setting up of power projects and trading of commodity items respectively.

Secondary segment reporting is based on the geographical location of customers. Since company has its operations limited to India only, no separate disclosure pertaining to secondary segment based on geographical location has been given.

Segment Information in terms of Accounting Standard 17 for the year ended March 31, 2016 is as below:

(Amount in ₹)

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	Power Projects	Trading Business	Total	Power Projects	Trading Business	Total
(a) Revenue						
External Sales	-	-	-	-	235,706,000	235,706,000
(b) Results						
Segment Profit / (Loss)	-	-	-	-	(2,244,500)	(2,244,500)
Add: Unallocable income net of Unallocable expenses			1,964,614,584			96,152,737
Operating Profit			1,964,614,584			93,908,237
Less: Finance Costs			2,025,722,051			191,788,879
Less: Depreciation and Impairment Expense			113,738,003			-
Less : Income Tax			8,720			-
Net Profit / (Loss) After Tax			(174,854,190)			(97,880,642)
(c) Total Assets						
Segment Assets	752,740,535	112,225	752,852,760	866,465,357	247,603,525	1,114,068,882
Unallocated Corporate Assets			76,886,485			43,400,596,196
Total			829,739,245			44,514,665,078
(d) Total Liabilities						
Segment Liabilities	305,035	-	305,035	2,336,107	249,848,025	252,184,132
Unallocated Corporate Liabilities			1,185,133,482			44,443,326,028
Total			1,185,438,517			44,695,510,160
(e) Other Information						
Capital Expenditure (including Capital Work-in-Progress) (Reduction in CWIP is on account of impairment of asset)	(113,738,003)	-	(113,738,003)	5,972,872	-	5,972,872



Notes to financial statements for the year ended 31st March, 2016

27 Foreign Currency Transactions

For the year ended
31st March, 2016
(Amount in ₹)For the year ended
31st March, 2015
(Amount in ₹)

- (a) C.I.F. Value of imports
Capital goods
- (b) Expenditure in foreign currency
- (c) Earning in Foreign currency

-	-
-	-
-	-
-	-

28 Opening balances have been taken as per the financial statements as audited by the previous auditor.

29 Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of the financial statements

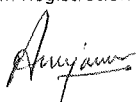
As per our report of even date

For DHARMESH PARIKH & CO.

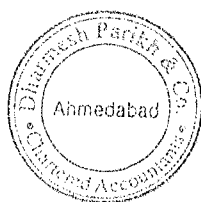
Chartered Accountants

Firm Registration No. 112054W

For and on behalf of board of directors



ANUJ JAIN
Partner
Member No.119140



Place : Ahmedabad
Date : 28th April, 2016



VIRENDRA KASLIWAL
DIRECTOR
DIN No. 07180043

Place : Ahmedabad
Date : 28th April, 2016



M.R. KRISHNA RAO
DIRECTOR
DIN No. 06495315