

**INDEPENDENT AUDITORS' REPORT**

The Members of  
**ADANI SYNERGY LIMITED.**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **ADANI SYNERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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AHMEDABAD - 380 009.  
PHONE: 26465433  
FAX : 079 - 26406983  
Email: ca@shahandshah.co.in

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS of the financial position of the Company as at 31 March, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



**Other Matter:**

The comparative financial information of the Company for the year ended on 31<sup>st</sup> March, 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2015 included in these financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us and other auditors, on which unmodified opinion dated 29th April, 2016 and 11th May, 2015 were expressed by respective auditors. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind As have been audited by us.

**Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditors' Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" a statement on the matters specified in Paragraphs 3 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

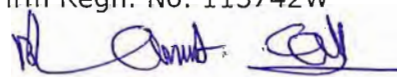


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- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have pending litigations which would impact its financial position.
- ii) The Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **SHAH & SHAH ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. 113742W



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

Membership Number: 30167

Place : Ahmedabad.  
Date : 16<sup>th</sup> May, 2017



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

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

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





6. Requirements of maintenance of cost records under sub-section (1) of section 148 of the Companies Act are not applicable to the company.
7.
  - a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax; cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
  - b) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
8. Based on our audit procedures and as per the information and explanations given by the management, the company has not taken any loan or borrowings from any bank, financial institution or by way of issue of debentures. Accordingly, the requirements under paragraph 3(viii) of the Order are not applicable to the company and hence not commented upon,
9. The company has not raised money by way of initial public offer or further public offer including debt instruments and term loans.
10. There has been neither any fraud by the company nor any fraud on the company by its officers or employees has been noticed or reported during the year.
11. During the year, the company has not paid managerial remuneration; hence the compliance of provision of clause 3(xi) of the Order is not applicable to the company.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. As per information and explanations given to us, all the transactions with related parties are in compliance of the provisions of section 177 and 188 of the Companies Act, 2013, the details of which have been disclosed in the financial statements as required by the applicable accounting standard.



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

Place : Ahmedabad.  
Date : 16<sup>th</sup> May, 2017



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

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

Membership Number: 030167

**Annexure B'' to the Independent Auditors' Report  
(Referred to in 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 **ADANI SYNERGY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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



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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, 2017, 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 : 16<sup>TH</sup> May, 2017



For **SHAH & SHAH ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. 113742W

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

Membership Number: 30167

**ADANI SYNERGY LTD**  
**BALANCE SHEET AS AT 31-Mar-2017**

Particulars	Notes	As at		
		31-Mar-17	31-Mar-16	01-Apr-15
<b>ASSETS</b>				
<b>I NON-CURRENT ASSETS</b>				
(a) Property, Plant and Equipment	4	1,92,407	2,76,138	1,72,194
(b) Capital Work in Progress				
(i) Capital Inventory		48,500	48,500	-
(ii) Indirect Project Expenditure pending allocation	5	26,01,09,872	15,67,85,868	5,12,62,134
		<b>26,03,50,779</b>	<b>15,71,10,506</b>	<b>5,14,34,328</b>
<b>II CURRENT ASSETS</b>				
(a) Financial Assets				
(i) Loans Given	6	2,00,000	-	-
(i) Cash & cash equivalents	7	7,14,192	16,69,317	8,00,154
(ii) Other Financial Assets	8	31,13,896	32,33,788	-
(b) Other Current Assets	9	1,06,299	1,06,235	1,66,558
		<b>41,34,387</b>	<b>50,09,340</b>	<b>9,66,712</b>
<b>TOTAL</b>		<b>26,44,85,166</b>	<b>16,21,19,846</b>	<b>5,24,01,040</b>
<b>EQUITY AND LIABILITIES :</b>				
<b>I SHAREHOLDERS' FUNDS</b>				
(a) Equity Share Capital	10	5,00,000	5,00,000	5,00,000
(b) Other Equity	11	(17,39,289)	(16,08,669)	(15,62,749)
<b>Total Equity</b>		<b>(12,39,289)</b>	<b>(11,08,669)</b>	<b>(10,62,749)</b>
<b>LIABILITIES</b>				
<b>II NON-CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings	12	24,72,08,290	14,61,40,757	4,60,54,134
(b) Provisions	13	71,22,900	38,99,672	-
		<b>25,43,31,190</b>	<b>15,00,40,429</b>	<b>4,60,54,134</b>
<b>III CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Other Financial Liabilities	14	77,66,787	85,46,597	19,81,302
(b) Other Current Liabilities	15	24,79,952	30,25,982	20,75,532
(c) Provisions	16	11,46,526	16,15,507	33,52,821
		<b>1,13,93,265</b>	<b>1,31,88,086</b>	<b>74,09,655</b>
<b>TOTAL</b>		<b>26,44,85,166</b>	<b>16,21,19,846</b>	<b>5,24,01,040</b>

**Significant Notes & Accounting Policies**

2

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

As per our attached report of even date

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

per Bharat A Shah  
Partner  
Membership No. 30167  
Place : Ahmedabad  
Date : 13 MAY 2017



For and on behalf of the Board  
Adani SynEnergy Limited

Vneet S Jaain  
Director  
DIN : 00053906  
Place : Ahmedabad  
Date : 13 MAY 2017

Pranav Adani  
Director  
DIN 00008457



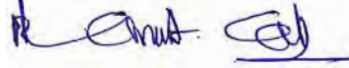
**ADANI SYNENERGY LTD**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-Mar-2017**

	Particulars	NOTES	For the Year Ended 31-Mar-2017	For the Year Ended 31-Mar-2016
<b>A</b>	<b>REVENUE</b>			
I	Revenue from Operations		-	-
II	Other Income		-	-
III	<b>Total Revenue (I+II)</b>		-	-
<b>IV</b>	<b>EXPENSES</b>			
	Finance costs	16	79	-
	Other expenses	17	1,30,541	45,920
	<b>Total Expenses</b>		<b>1,30,620</b>	<b>45,920</b>
<b>V</b>	<b>Profit / (Loss) for the year before Taxation (III - IV)</b>		<b>(1,30,620)</b>	<b>(45,920)</b>
<b>VI</b>	<b>Tax Expense:</b>		-	-
<b>VII</b>	<b>Profit / (Loss) for the year (V - VI)</b>		<b>(1,30,620)</b>	<b>(45,920)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	- Item that will not be reclassified to Profit & Loss			
	(a) Remeasurement of Post employee benefit obligation		-	-
	(b) Income tax relating to these items		-	-
	<b>Total Other Comprehensive Income</b>		-	-
<b>IX</b>	<b>Total Comprehensive Income for the Year (VII+VIII)</b>		<b>(1,30,620)</b>	<b>(45,920)</b>
	<b>Earnings (Loss) per Equity Share (in ₹) of face value of ₹ 10 each</b>			
	- Basic		(2.61)	(0.92)
	- Diluted		(2.61)	(0.92)
	<b>Significant Notes &amp; Accounting Policies</b>	<b>2</b>		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

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



per Bharat A Shah  
Partner  
Membership No. 30167

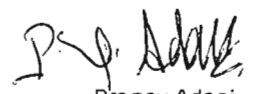
Place : Ahmedabad  
Date : 16 MAY 2017



For and on behalf of the Board  
Adani Synenergy Limited



Vneet S Jaain  
Director  
DIN : 00053906



Pranav Adani  
Director  
DIN 00008457

Place : Ahmedabad  
Date : 16 MAY 2017



**ADANI SYNERGY LTD**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH,2017**

**A. Equity Share Capital**

Particulars	No. of Shares	Amount
Balance as at 1 <sup>st</sup> April 2015	50,000	5,00,000
Changes in the Equity Share Capital during the year	-	-
Balance as at 1 <sup>st</sup> April 2016	50,000	5,00,000
Changes in the Equity Share Capital during the year	-	-
Balance as at 31st March 2017	50,000	5,00,000

**B. Other Equity**

Particulars	Retained Earnings
Balance as at 1 <sup>st</sup> April 2015	(15,62,749)
Add : Loss for the year	(45,920)
Other Comprehensive Income for the year	-
Balance as at 31 <sup>st</sup> March 2016	(16,08,669)
Balance as at 1 <sup>st</sup> April 2016	(16,08,669)
Add : Loss for the year	(1,30,620)
Other Comprehensive Income for the year	-
Balance as at 31 <sup>st</sup> March 2017	(17,39,289)

As per our attached report of even date  
For Shah & Shah Associates  
ICAI Firm Registration No.: 113742W  
Chartered Accountants

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



per Bharat A Shah  
Partner  
Membership No. 30167



Vneet S Jaain  
Director  
DIN : 00053906



Pranav Adani  
Director  
DIN 00008457

Place : Ahmedabad  
Date : 16 MAY 2017



Place : Ahmedabad  
Date : 16 MAY 2017





# ADANI SYNENERGY LTD

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED ON 31-Mar-2017

S.NO.	PARTICULARS	For the Year Ended on 31-Mar-2017		For the Year Ended on 31-Mar-2016	
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit Before Tax		(130,620)		(45,920)
	Adjustment for:				
	Depreciation and Amortization	-	-	-	-
	Total Adjustments to Net Profit		-		-
	Operating Profit Before Working Capital Changes		(130,620)		(45,920)
	Adjustment for:				
	(Increase)/decrease in Loans and other financial assets and other current assets	(80,172)		(3,173,465)	
	Increase/(decrease) in Long term provisions	3,223,229		3,899,672	
	Increase/(decrease) in Short term provisions	(468,981)		(1,737,314)	
	Increase/(decrease) in Other current financial liabilities	(779,811)		6,565,296	
	Increase/(decrease) in Other Current liabilities	(546,030)		500,146	
	Total Working Capital Changes		1,348,235		6,054,335
	Cash Generated From Operations		1,217,615		6,008,415
	Direct Tax (Paid)/ Refund		-		-
	Net Cash flow Generated from Operating Activities		1,217,615		6,008,415
B	<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Capital Asset	(48,500)		(223,201)	
	Payment towards Indirect Expenditure During Construction year	(85,042,240)		(96,181,742)	
	Net Cash Used in Investing Activities		(85,090,740)		(96,404,943)
C	<b>CASHFLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from borrowing taken	82,918,000		91,265,691	
	Net Cash Used for Financing Activities		82,918,000		91,265,691
D	<b>Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)</b>		(955,125)		869,163
	Effect of Exchange Rate Difference on Cash and Cash Equivalents		-		-
	Cash and Cash Equivalents at the beginning of the Year		1,669,317		800,154
	Cash and Cash Equivalents at the End of the Period		714,192		1,669,317
	Components of cash and cash equivalents				
	Balances with banks				
	- In Current Account		714,192		1,669,317
	Total cash and cash equivalents ( Refer note 7)		714,192		1,669,317

### Notes :

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Indian Accounting Standard-7 on Cash Flow Statement notified under the Companies (Indian Accounting Standards) Rules, 2015

2. The Company has converted accrued interest of ₹ 1,81,49,533/- (PY : ₹ 88,20,934) (net of Tax Deducted at Source) as at March 31, 2017 into principal amount of borrowing and accordingly, the same is not given effect in cash flow statement.

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

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

per Bharat A Shah  
Partner  
Membership No. 30167



Place: Ahmedabad

Date : 15 MAY 2017

*Vneet S Jaan*

Vneet S Jaan  
Director  
DIN : 00053906

*Pranav Adani*

PRANAV ADANI  
Director  
DIN 00008457

Place: Ahmedabad

Date : 15 MAY 2017



ADANI SYNENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017

**NOTE : 1 CORPORATE INFORMATION**

- Adani Synenergy Limited (the Company) is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956 vide CIN U40106GJ2014PLC078744. The registered office of the Company is located at "Adani House", Nr. Mithakali Six Roads, Navrangpura, Ahmedabad - 380009. The Company was incorporated on 14th February, 2014.

- Adani SynEnergy Limited is a 100% subsidiary of Adani Enterprises Limited (AEL), with an objective of producing, operating, maintaining, distribution and transportation of synthetic energy, liquid fuel and chemicals obtained from coal, pet-coke, natural gas, oil shale, or biomass, plastics or rubber waste, gaseous fuels produced in a similar way, common use of the term "synthetic fuel".

**NOTE : 2 SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION & PRESENTATION OF THE ACCOUNTS :-**

**a) STATEMENT OF COMPLIANCE**

- i). Adani Synenergy Limited (the Company) has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April 2015, in accordance with the notification issued by the Ministry of Corporate Affairs.
- ii). Upto the year ended 31st March 2016, the Company has presented its financial statements in accordance with the requirements of previous GAAP, which includes the standards notified under section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Rules, 2016. The date of transition to Ind AS is 1st April 2015. All the previous period numbers in the financial statements for the year ended on 31st March 2016 have been restated as per notified Ind AS. These are the Company's first Ind AS financial statements.

**b) BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

- i). These Financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.
- ii). In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation of shareholders' equity as at 31st March, 2016 and 1st April, 2015 and of the comprehensive net income for the year ended 31st March, 2016 as reported under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2016 ("Previous GAAP") to Ind AS financial statements.

Refer to note 3 for information on how the Company has adopted Ind AS. The Financial statement are presented in INR except when otherwise stated.

**c) USE OF ESTIMATES**

The preparation of financial statements in conformity with Ind AS requires management to make certain 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 / materialized.

**i) Recognition of deferred tax assets:**

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

**ii) Recognition and measurement of other provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

**d) CURRENT & NON-CURRENT**

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.

**e) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASHFLOW STATEMENTS)**

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.



## ADANI SYNENERGY LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017

#### f) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) 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.

#### g) DEPRECIATION

- i) Depreciation of property, plant and equipments is provided on Straight Line Method based on the useful life of the assets in the manner specified in Schedule II of the Companies Act 2013.
- ii) Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

#### h) PROPERTY, PLANT & EQUIPMENTS

- i) Property, Plant and Equipments, including Capital Work in Progress, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses & net of Taxes (net of Cenvat and VAT credit wherever applicable).
- ii) All direct cost attributable to respective assets are capitalized to the assets. Other indirect expenses are capitalized to assets in proportion of the value of the assets. Borrowing cost relating to acquisition / construction of Property, Plant and Equipment which take substantial period of time to get ready for its intended use are included in the value of assets till such assets are ready to be put to use.
- iii) Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- vi) An item of Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

#### i) CAPITAL WORK IN PROGRESS

- i) The cost of property, plant and equipment not put to use before the year end and Capital Inventory, are disclosed under capital work-in-progress.
- ii) Expenditure incurred during the period of construction including, all direct & indirect overheads, incidental and related to construction is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

#### j) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

For purposes of subsequent measurement, financial assets and liabilities are classified in various categories as under.

- > at amortised cost
- > fair value through other comprehensive income
- > fair value through profit and loss account

Financial instruments are subsequently measured and accounted based on their category. All financial instruments of the Company are covered under Amortised Cost. After initial measurement, such financial assets and liabilities are subsequently measured using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.





ADANI SYNENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017

**i) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

**ii) Impairment of financial assets**

The Company applies simplified approach model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**iii) Derecognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**k) EMPLOYEE BENEFITS**

Employee benefits includes gratuity, compensated absences, contribution to provident fund.

**A) Short term Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of salaries and wages at the undiscounted amount of the benefits expected to be paid wholly within twelve months of rendering the service.

**B) Post Employment Benefits**

**i) Defined Benefit Plans**

The employees' gratuity scheme is a defined benefit scheme. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on actuarial valuations, carried out by an independent actuary, using the Projected Unit Credit method. Actuarial gains and losses are recognised in Other Comprehensive Income.

**ii) Defined Contribution Plans**

Contribution to the provident fund scheme which is a defined contribution schemes is charged to the statement of Profit and Loss as the same is incurred.

**iii) Long-term employee benefits**

Long term employee benefits comprise of compensated absences. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date. Actuarial gains and losses are recognised in the statement of Profit and Loss.

**iv)** For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary.

**l) BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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 are charged to revenue.

**m) RELATED PARTY TRANSACTIONS**

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party disclosures" has been set out in a separate note. Related Parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representation made by management and information available with the Company.



**ADANI SYNENERGY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017**

**n) EARNING PER SHARE**

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.

**o) TAXES ON INCOME**

**i) DEFERRED TAXATION**

- Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent it is probable that these assets can be realised in future.

- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset where a legally enforceable right exists to offset current tax assets and liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

- Deferred tax includes MAT tax credit. The Company reviews such tax credit asset at each reporting date to assess its recoverability.

**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.

**p) PROVISIONS & CONTINGENT LAIBILITIES**

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 statements.





# ADANI SYNENERGY LTD

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017

### 3 Explanatory Notes

#### First-time adoption of Ind-AS

These are Company's first financial statements prepared in accordance with Ind AS. For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared these financial statements for the period ending on 31st March 2017, together with the comparative period data, by applying Ind AS compliant policies described in the "Summary of Significant Accounting Policies". In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, which is Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

#### a) Options availed on the first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following Ind AS 101 exemptions from the transition date i.e. 1st April 2015 :

##### i) Estimates

The estimates at 1st April 2015 and at March 31 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after

adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> Impairment of financial assets based on the risk exposure and application of ECL model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2015, the date of transition to Ind

##### ii) Classification and measurement of financial assets :

The Company has assessed classification and measurement of financial assets on the basis of facts and circumstances that exist as on transition date.

##### iii) Impairment of financial assets

The Company has applied impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

##### iv) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after transition date.

#### b) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior period. The following tables represent the reconciliations from previous GAAP to Ind AS:-

#### Reconciliation of Equity and Profit & Loss as per the Previously reported under IGAAP to IND AS

##### Reconciliation of Equity

Particulars	As At	
	31 March 2016	01 April 2015
Equity Share Capital as per Previous GAAP (IGAAP)	5,00,000	5,00,000
Other Equity as per previous GAAP	(16,08,669)	(15,62,749)
Adjustments	-	-
Total Adjustment to the Equity	(11,08,669)	(10,62,749)
Equity as reported under IND AS	(11,08,669)	(10,62,749)

##### Reconciliation of Total comprehensive income for the year ended 31st March 2016:

Particulars	For the year 31/Mar/2016
Previous GAAP (A)	(45,920)
Ind AS: Adjustments increase (decrease):	-
Total adjustment to profit or loss (B)	-
Profit or loss under Ind AS (A+B)	(45,920)
Other comprehensive income	-
Total comprehensive income under Ind AS	(45,920)



**ADANI SYNENERGY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017**

**NOTE : 4 PROPERTY, PLANT & EQUIPMENTS**

<b>PARTICULARS</b>	<b>Tangible Asset Computer</b>
<b>As at 31 March 2016</b>	
<b>Gross Carrying Value</b>	-
Deemed Cost as at 01-Apr-15	1,72,194
Addition during the Year	1,74,700
Deduction during the Year	-
<b>Closing Gross Carrying Value</b>	<b>3,46,894</b>
<b>Accumulated Depreciation</b>	
Opening Accumulated Depreciation	-
Depreciation during the year	70,756
<b>Closing Accumulated Depreciation</b>	<b>70,756</b>
<b>Net Carrying Amount</b>	<b>2,76,138</b>
<b>As at 31 March 2017</b>	
<b>Gross Carrying Value</b>	-
Opening Gross Carrying Amount	3,46,894
Addition during the year at cost	48,500
Deduction during the Year	-
<b>Closing Gross Carrying Value</b>	<b>3,95,394</b>
<b>Accumulated Depreciation</b>	-
Opening Accumulated Depreciation	70,756
Depreciation during the year	1,32,231
<b>Closing Accumulated Depreciation</b>	<b>2,02,987</b>
<b>Net Carrying Amount</b>	<b>1,92,407</b>



**ADANI SYNERGY LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017**

**NOTE : 5 Indirect Project Expenditure pending allocation**

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

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
<b>Balance as at the beginning of the year</b>	156,785,868	51,262,134	-
<b>Expenses incurred during the year</b>			
Interest on borrowing	19,425,439	9,271,237	-
Salaries, Wages & Bonus	72,117,014	70,490,811	41,908,424
Gratuity expense (Refer to note 22(a))	1,836,672	735,462	1,722,591
Contribution to Provident Fund and other funds	3,479,687	3,519,980	2,533,864
Staff welfare expense	47,207	487,453	305,331
Professional Services	950,384	17,168,121	1,234,308
Travelling and Conveyance	4,901,601	5,745,241	3,350,996
Rent Expenses	-	587,505	-
Communication Expense	169,136	144,007	110,295
Depreciation	132,231	70,756	9,242
Repairs and Maintenance	-	26,520	73,660
Office & Miscellaneous expenses	264,633	253,944	13,423
Recoveries pertaining to previous period	-	(2,977,303)	-
<b>Closing Balance as at closing of the year</b>	<b>260,109,872</b>	<b>156,785,868</b>	<b>51,262,134</b>

**NOTE : 6 CURRENT LOANS**  
(Unsecured, Considered Good)

PARTICULAR	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Loan to Employees	200,000	-	-
	200,000	-	-

**NOTE : 7 CASH AND CASH EQUIVALENTS**

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
<b>Cash &amp; Cash Equivalents</b>			
i) Balances with banks			
- In Current Account	714,192	1,669,317	800,154
	<b>714,192</b>	<b>1,669,317</b>	<b>800,154</b>

**Note :-** As per the amendment to Schedule III of the Companies Act, 2013 by MCA Notification no 380(E) dated 30th March 2017, the following are the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:-



**ADANI SYNENERGY LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017**

**NOTE : 8 OTHER CURRENT FINANCIAL ASSETS**  
(Unsecured, considered good)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Recoverable from			
- Related parties	31,13,896	30,11,140	-
- Others	-	2,22,648	-
	<b>31,13,896</b>	<b>32,33,788</b>	<b>-</b>

**NOTE : 9 OTHER CURRENT ASSETS**  
(Unsecured, considered good)

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Advance against expenses	1,06,299	1,06,235	1,66,558
	<b>1,06,299</b>	<b>1,06,235</b>	<b>1,66,558</b>



# ADANI SYNENERGY LTD

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017

### NOTE : 10 SHARE CAPITAL

Particulars	AS AT 31-Mar-2017		AS AT 31-Mar-16	
	No. of Share	Amount	No. of Share	Amount
<b>AUTHORISED</b> Equity Shares of ₹ 10/- each	50,000	5,00,000	50,000	5,00,000
	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b> Equity shares of ₹ 10/- Each Fully Paid up	50,000	5,00,000	50,000	5,00,000
	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>
<b>(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Equity shares</b>				
	AS AT 31-Mar-2017		AS AT 31-Mar-16	
	No. of Share	Amount	No. of Share	Amount
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	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>
<b>(b) Terms/ rights attached to equity shares</b>				
The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates</b>				
Out of equity shares issued by the company, shares held by its holding company are as below:				
<b>Equity shares of ₹ 10/- Each Fully paid</b>				
Name of Share Holders	AS AT 31-Mar-2017		AS AT 31-Mar-16	
	No. of Share	Amount	No. of Share	Amount
Adani Enterprise Limited, the Holding Co. (Along with its nominees)	50,000	5,00,000	50,000	5,00,000
<b>(d) Details of shareholders holding more than 5% shares in the company</b>				
<b>Equity shares of ₹ 10/- Each Fully paid</b>				
Name of Share Holders	AS AT 31-Mar-2017		AS AT 31-Mar-16	
	No. of Share	% holding in the Class	No. of Share	% holding in the Class
Adani Enterprise Limited, the Holding Company (Along with its nominees)	50,000	100%	50,000	100%





## NOTE : 11 OTHER EQUITY

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
(DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS			
Balance as per last balance sheet	(16,08,669)	(15,62,749)	-
Add : Loss for the year	(1,30,620)	(45,920)	(15,62,749)
Less : Other Comprehensive Income	-	-	-
	<u>(17,39,289)</u>	<u>(16,08,669)</u>	<u>(15,62,749)</u>

## NOTE : 12 LONG TERM BORROWINGS

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Unsecured Loans			
Loan from related parties			
-From Adani Enterprises Limited , Holding Company	24,72,08,290	14,61,40,757	4,60,54,134
	<u>24,72,08,290</u>	<u>14,61,40,757</u>	<u>4,60,54,134</u>

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

## NOTE : 13 LONG TERM PROVISIONS

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Provision for employee benefits			
Provision for Gratuity (refer note: 22(a))	28,26,011	10,54,585	-
Provision for Leave Encashment	42,96,889	28,45,087	-
	<u>71,22,900</u>	<u>38,99,672</u>	<u>-</u>

## NOTE : 14 OTHER CURRENT FINANCIAL LIABILITIES

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Creditors for expenditure on capital account	46,29,884	61,96,442	1,84,273
Employees Dues	22,70,228	23,50,155	17,97,029
Other creditors	8,66,675	-	-
	<u>77,66,787</u>	<u>85,46,597</u>	<u>19,81,302</u>

## NOTE : 15 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Statutory Dues Payable	24,79,952	30,25,982	20,75,532
	<u>24,79,952</u>	<u>30,25,982</u>	<u>20,75,532</u>

## NOTE : 16 SHORT TERM PROVISIONS

PARTICULARS	AS AT 31-Mar-2017	AS AT 31-Mar-2016	AS AT 1-Apr-2015
Provision for employee benefits			
Provision for Gratuity (refer note 22(a))	41,292	26,030	10,57,958
Provision for Leave Encashment	11,05,234	15,89,477	22,94,863
	<u>11,46,526</u>	<u>16,15,507</u>	<u>33,52,821</u>



**ADANI SYNENERGY LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017**

**NOTE : 17 FINANCE COSTS**

PARTICULARS	For the Year Ended on 31-Mar-17	For the Year Ended on 31-Mar-16
<b>I. Interest</b>		
Interest on late payment of service tax	79	-
	<b>79</b>	<b>-</b>

**NOTE : 18 OTHER EXPENSES**

PARTICULARS	For the Year Ended on 31-Mar-17	For the Year Ended on 31-Mar-16
Rates and taxes	3,104	2,400
Legal and Professional Fees	28,445	5,460
Office Expenses	15,766	-
Printing and Stationery Expenses	9,131	-
Sponsorship & Promotion Expenses	35,886	-
Payment to Auditors		
(i) Statutory Audit Fees	34,500	34,350
Miscellaneous expenses	3,709	3,710
	<b>1,30,541</b>	<b>45,920</b>



**ADANI SYNENERGY LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017**

**19 The carrying value of financial instruments by categories as of March 31, 2017 is as follows :**

Particulars	Amortised cost	Total
<b>Financial Assets</b>		
Cash and cash equivalents	7,14,192	7,14,192
Loans	2,00,000	2,00,000
Other Financial assets	31,13,896	31,13,896
<b>Total</b>	<b>40,28,088</b>	<b>40,28,088</b>
<b>Financial Liabilities</b>		
Borrowings	24,72,08,290	24,72,08,290
Other Financial Liabilities	77,66,786	77,66,786
<b>Total</b>	<b>25,49,75,076</b>	<b>25,49,75,076</b>

**The carrying value of financial instruments by categories as of March 31, 2016 is as follows :**

Particulars	Amortised cost	Total
<b>Financial Assets</b>		
Cash and cash equivalents	16,69,317	16,69,317
Loans	-	-
Other Financial assets	32,33,788	32,33,788
<b>Total</b>	<b>49,03,104</b>	<b>49,03,104</b>
<b>Financial Liabilities</b>		
Borrowings	14,61,40,757	14,61,40,757
Other Financial Liabilities	85,46,597	85,46,597
<b>Total</b>	<b>15,46,87,354</b>	<b>15,46,87,354</b>

**The carrying value of financial instruments by categories as of April 01, 2015 is as follows :**

Particulars	Amortised cost	Total
<b>Financial Assets</b>		
Cash and cash equivalents	8,00,154	8,00,154
Loans	-	-
Other Financial assets	-	-
<b>Total</b>	<b>8,00,154</b>	<b>8,00,154</b>
<b>Financial Liabilities</b>		
Borrowings	4,60,54,134	4,60,54,134
Other Financial Liabilities	19,81,302	19,81,302
<b>Total</b>	<b>4,80,35,436</b>	<b>4,80,35,436</b>

**20 Fair Value Hierarchy :**

Since the Company does not have any financial asset or liability measured at fair value, all financial assets and liabilities of the Company have been valued at amortised cost and their values are not expected to be different than those presented in financial statements.



The Company's principal financial liabilities comprise borrowings, provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include receivables, cash and cash equivalents and other business related receivables. In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk), liquidity risk and credit risk.

#### Interest Risk

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for interest rate risk. The Company's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

#### Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the company. The company has adopted the policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial losses from default. The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. Cash are held with creditworthy financial institutions.

#### Liquidity Risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial obligations, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.



## NOTE : 22 DISCLOSURES IN RESPECT OF EMPLOYEE BENEFIT OBLIGATIONS

a) Defined Benefit Obligations :

The Company provides for gratuity for eligible employees in India as per the Payment of Gratuity Act, 1972, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liability in respect of Gratuity is determined based on actuarial valuation done by actuary as at the balance sheet date. Disclosures in respect of the defined benefit obligation

Particulars	As at 31/Mar/2017	As at 31/Mar/2016
<b>i. Change in Obligations during the year</b>		
Present Value of Obligations at the beginning of the year	25,21,273	17,41,416
Current Service Cost	11,43,277	9,43,427
Interest cost	1,99,038	1,38,738
Actuarial loss/(gain)	5,95,993	(3,02,308)
Benefit paid	(5,28,908)	-
Acquisition Adjustment	4,96,184	-
<b>Present Value at the end of the year</b>	<b>44,26,857</b>	<b>25,21,273</b>
<b>ii. Change in Plan Assets during the year</b>		
Present Value of Plan Assets at the beginning of the year	14,40,658	6,83,458
Expected return on plan assets	1,13,731	54,451
Employer's Contributions	-	7,12,805
Actuarial (loss)/gain	5,165	(10,056)
Benefit paid	-	-
<b>Present Value at the end of the year</b>	<b>15,59,554</b>	<b>14,40,658</b>
<b>iii. Net Asset / (Liability) recognised in the Balance Sheet</b>		
Present Value of Obligations	(44,26,857)	(25,21,273)
Fair Value of Plan Assets	15,59,554	14,40,658
<b>Net Asset / (Liability)</b>	<b>(28,67,303)</b>	<b>(10,80,615)</b>
<b>iv. Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	11,43,277	9,43,427
Interest cost	1,99,038	1,38,738
Expected return on the plan assets	(1,13,731)	(54,451)
	<b>12,28,584</b>	<b>10,27,714</b>
<b>v. Expense recognised in Other Comprehensive Income</b>		
Actuarial (Gains) / Losses	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
	<b>-</b>	<b>-</b>
<b>vi. Past five years data for defined benefit obligation and fair value of plan</b>		

	2016-17	2015-16	2014-15
Obligations at the end of the year	(44,26,857)	(25,21,273)	(17,41,416)
Plan assets at the end of the year	15,59,554	14,40,658	6,83,458
<b>Net Assets / (Liability) at the end of year</b>	<b>(28,67,303)</b>	<b>(10,80,615)</b>	<b>(10,57,958)</b>

Experience Adjustment on :

(Gain) / Loss for Plan Liabilities  
Gain / (Loss) for Plan Assets

vii. **Actuarial Assumptions & Sensitivity Analysis**

The principal actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, turnover rate and mortality. The same are shown below :

	As at 31/Mar/2017	As at 31/Mar/2016
Discount Rate	7.60%	7.90%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Mortality / Pre-retirement	100%	100%
Turnover Rate	1%	1%
Rate of Escalation in Salary (p.a.)	8.00%	8.00%





## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017

The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below :

Particulars	Increase in assumptions		Decrease in assumptions	
	As at	As at	As at	As at
	31/Mar/2017	31/Mar/2016	31/Mar/2017	31/Mar/2016
Discount Rate (- / + 1%)	40,22,460	22,72,690	48,90,429	28,08,229
Salary Growth Rate (- / + 1%)	48,84,053	28,05,117	40,20,340	22,70,743
Attrition Rate (- / + 1%)	43,97,197	24,99,563	44,56,950	25,43,203
Mortality Rate (- / + 1%)	44,26,601	25,21,931	44,27,115	25,20,614

## viii. Maturity Profile of Obligations

The average duration of the defined benefit plan obligation at the end of the reporting period is 53 years (31 March 2015: 28 years). The expected maturity analysis of gratuity benefits is as follows :

	As at 31/Mar/2017	As at 31/Mar/2016
Less than a year	41,292	26,030
Between 2 to 5 years	3,13,098	1,60,736
Between 5 to 10 years	47,98,254	22,00,058
Beyond 10 years	55,34,414	43,94,683
	<u>1,06,87,058</u>	<u>67,81,507</u>

## ix. Risk Exposure and Asset Liability Matching

Through its defined benefit plan of Gratuity, the Company is exposed to its number of risks, viz. asset volatility, changes in return on assets, inflation risks and life expectancy. The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

(b) Defined Benefit Contributions :

The company operates defined benefit contribution in the form of Provident Fund, liability in respect of which is provided for on actual contribution basis. The company has recognised an amount of Rs.34,79,687/- (PY: Rs.35,19,980/- ) as provident fund expense under the defined contribution plans

(c) Other Long Term Employee Benefits :

Other long term employee benefits comprise of compensated absences/leaves, which are recognised based on actuarial valuation. The actuarial liability for compensated absences as at the year ended 31st March, 2017 is Rs.54,02,123/- (Previous Year Rs.44,34,564/-)



**ADANI SYNERGY LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017**

**NOTE : 23 RELATED PARTIES DISCLOSURES**

Pursuant to the IND AS - 24 – Related Party Transactions, as prescribed under Companies (Accounting Standard) Rules, 2015 (as amended) the disclosure relating to transactions entered into with related parties by the Company, as identified by the management are disclosed as under.

**i) Name of related parties & description of relationship**

Criteria	Name of Company
Holding Company	Adani Enterprises Limited
Fellow Subsidiary	Mundra Solar PV Ltd
Fellow Subsidiary	Adani Welspun Exploration Ltd
Entities where one or more KMP has significant influence	Adani Power Limited

**ii) Transaction with Related parties**

Related Party	Nature of Transaction	For the year ended 31-03-2017	For the year ended 31-03-2016
Adani Enterprises Limited	Borrowings (Loan Taken)	8,29,18,000	9,44,65,689
Adani Enterprises Limited	Borrowings (Loan Repaid)	-	32,00,000
Adani Enterprises Limited	Interest paid	1,94,24,173	92,71,237
Adani Enterprises Limited	Reimbursement of Expenses (payment)	-	5,81,040
Adani Enterprises Limited	Recovery of expenses (receipt)	6,45,160	24,56,761
Adani Welspun Exploration Ltd	Recovery of expenses (receipt)	-	5,20,542
Adani Power Ltd	Advance for Expenses Paid	-	31,146
Mundra Solar PV Ltd	Advance for Expenses Paid	-	2,691

**iii) Balances with Related Parties**

Category	Name of Related Party	As at	As at
		March 31, 2017	March 31, 2016
Borrowings (Loan)	Adani Enterprises Limited	24,72,08,290	14,61,40,757
Other liabilities	Adani Enterprises Limited	-	5,81,040
Advance recoverable in cash or kind	Adani Enterprises Limited	30,80,060	24,56,761
	Adani Welspun Exploration Ltd	-	5,20,542
Advance for Expenses Paid	Mundra Solar PV	2,691	2,691
	Adani Power Ltd	31,146	31,146

During the period, the Company has converted accrued interest of ₹ 1,81,49,533 (PY: ₹ 88,20,932) (net of Tax Deducted at Source) as at March 31, 2017 into principal amount of borrowing.



# ADANI SYNERGY LTD

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-Mar-2017

### NOTE : 24 EARNINGS PER SHARE

Particulars	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016
Net (Loss) as per Statement of Profit and Loss Account	(1,30,620)	(45,920)
Weighted average number of equity shares	50,000	50,000
<b>Basic and Diluted Earnings (Loss) Per Share (₹)</b>	<b>(2.61)</b>	<b>(0.92)</b>

### NOTE : 25 CAPITAL COMMITMENTS

Particulars	For the year ended 31-Mar-2017	For the year ended 31-Mar-2016
Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	-	2,89,742

### NOTE : 26 CONTINGENT LIABILITY

Based on the information available with the company, there is no contingent liability as at the period ended March, 31, 2017 and at the period ended March, 2016.

### NOTE : 27 DISCLOSURES UNDER MSMED ACT

Based on the information and supplier's profile available with the company as at March 31, 2017, the management believes that no creditor is covered under the Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provision or payments is required to be made by the Company to such suppliers and no disclosures thereof are made in these financial statements.

### NOTE : 28 REGROUPINGS

Previous year figures have been regrouped wherever necessary.

As per our report of even date

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

per Bharat A Shah  
Partner  
Membership No. 30167



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

*Vineet S Jaain*  
Vineet S Jaain  
Director  
DIN : 00053906

*Pranav Adani*  
Pranav Adani  
Director  
DIN : 00008457

Place: Ahmedabad  
Date : 18 MAY 2017

Place: Ahmedabad  
Date : 18 MAY 2017

