

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 Kutchh Power Generation Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of Kutchh Power Generation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after 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 and presentation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Ind AS 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 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.

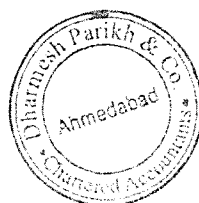
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material 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 auditor's 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 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 including the Ind AS, of the financial position of the Company as at 31st 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.



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Independent Auditor's Report

To the Members of Kutchh Power Generation Limited (Continue)

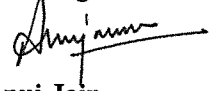
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) The delay in setting up the project and incurring of continuous loss by the company, 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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';
 - 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:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company did not hold or transact in cash during the entire year. Accordingly requisite disclosure as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in its Ind AS Financial Statements is not done.

Place : Ahmedabad
Date : 23rd May 2017



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


Anuj Jain
Partner
Membership No. 119140

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Annexure – A to the Independent Auditor's Report

RE: Kutchh 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 Ind AS Financial Statements for the year ended 31st March 2017, 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 4.1 on fixed assets to the financial statements, are held in the name of the Company.
- (ii) The Company being in the construction stage carries only Capital Inventory. Accordingly the provisions of paragraph 3 (ii) (a) & (b) of the Order is not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The company has not done any commercial activity during the year under review. Accordingly, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, duty of customs and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, provident fund, sales tax, value added tax, cess and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues as referred to above were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan either from banks, financial institutions or from the government. It has issued 0% Compulsory Convertible Debentures during the year on which no interest payment or principal repayment is to be done. Accordingly the provisions of paragraph 3 (viii) of the Order are not applicable.



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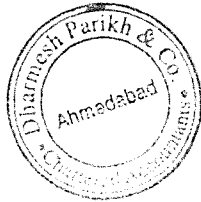
Annexure to the Independent Auditor's Report (Continue)

RE: Kutchh Power Generation Limited

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

- (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, except Director Sitting Fees, 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 Ind AS 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 : 23rd May 2017



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

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Annexure – B to the Independent Auditor's Report

RE: Kutchh 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, 2017 in conjunction with our audit of the Ind AS 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.

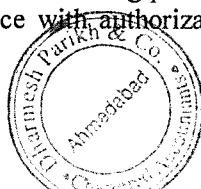
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 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



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Annexure – B to the Independent Auditor's Report (Continue)

RE: Kutchh Power Generation Limited

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

- (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 31st March, 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 : 23rd May 2017



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

KUTCHH POWER GENERATION LIMITED
Balance Sheet as at 31st March, 2017

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Particulars	Notes	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	4.1	13,292,730	13,292,730	13,292,730
(b) Capital Work-In-Progress	4.2	485,060,206	599,031,543	712,769,546
(c) Financial Assets				
(i) Loans	5	-	-	43,390,738,434
(ii) Other Non-current Financial Assets	6	-	45,000	45,000
(d) Income Tax Assets (Net)		11,513,734	11,513,734	9,548,715
(e) Other Non-current Assets	7	143,573,397	140,433,487	140,470,306
Total Non-current Assets		653,440,067	764,316,494	44,266,864,731
Current Assets				
(a) Financial Assets				
(i) Investments	8	1,350,411	50,041	-
(ii) Trade Receivables	9	-	-	247,491,300
(iii) Cash and Cash Equivalents	10	28,303	11,240	309,047
(iv) Other Financial Assets	11	45,000	65,361,511	-
Total Current Assets		1,423,714	65,422,792	247,800,347
Total Assets		654,863,781	829,739,286	44,514,665,078
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	500,000	500,000	500,000
(b) Instrument entirely equity in nature	13	1,183,888,000	-	-
(c) Other Equity	14	(529,555,619)	(356,199,231)	(181,345,082)
Total Equity		654,832,381	(355,699,231)	(180,845,082)
LIABILITIES				
Non-current Liabilities				
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	-	1,183,938,435	44,431,324,614
(ii) Trade Payables	16	26,250	98,067	249,960,385
(iii) Other Financial Liabilities	17	-	305,035	2,336,107
(b) Other Current Liabilities	18	5,150	1,096,980	11,889,054
Total Current Liabilities		31,400	1,185,438,517	44,695,510,160
Total Liabilities		31,400	1,185,438,517	44,695,510,160
Total Equity and Liabilities		654,863,781	829,739,286	44,514,665,078

See accompanying notes to financial statements

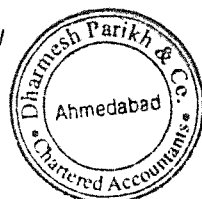
In terms of our report attached

For **DHARMESH PARIKH & CO.**

Chartered Accountants

Firm Registration No. 112054W

Anuj Jain



ANUJ JAIN

PARTNER

Member No.119140

Place : Ahmedabad

Date : 23rd May, 2017

For and on behalf of board of directors

Virendra Kasliwal

VIRENDRA KASLIWAL

DIRECTOR

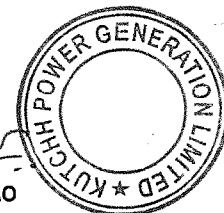
DIN No. 07180043

M.R. Krishna Rao

M.R. KRISHNA RAO

DIRECTOR

DIN No.06495315



Place : Ahmedabad

Date : 23rd May, 2017

Particulars	Notes	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
Revenue from Operations		-	-
Other Income	19	171,305	1,965,048,896
Total Income		171,305	1,965,048,896
Expenses			
Fuel Cost		-	-
Purchase of Stock in Trade		-	-
Employee Benefits Expenses		-	-
Finance Costs	20	59,458,270	2,025,722,051
Depreciation and Amortisation Expenses		113,738,003	113,738,003
Other Expenses	21	331,420	434,271
Total Expenses		173,527,693	2,139,894,325
Loss before exceptional items and tax		(173,356,388)	(174,845,429)
Exceptional items		-	-
Loss before tax		(173,356,388)	(174,845,429)
Tax Expense:			
Current Tax	22	-	8,720
Deferred Tax		-	-
		-	8,720
Loss for the period	Total A	(173,356,388)	(174,854,149)
Other Comprehensive Income			
Other Comprehensive Income		-	-
Other Comprehensive Income (After Tax)	Total B	-	-
Total comprehensive income for the year	Total (A+B)	(173,356,388)	(174,854,149)
Earnings Per Equity Share (EPS) (Face Value ₹ 10 Per Share)	30		
Basic EPS (₹)		(3,467)	(3,497)
Diluted EPS (₹)		(3,467)	(3,497)

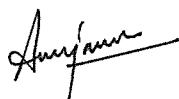
See accompanying notes to financial statements

In terms of our report attached

For DHARMESH PARIKH & CO.

Chartered Accountants

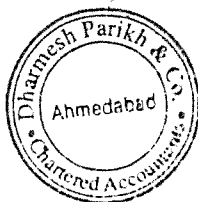
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ANUJ JAIN

PARTNER

Member No.119140



For and on behalf of board of directors



VIRENDRA KASLIWAL

DIRECTOR

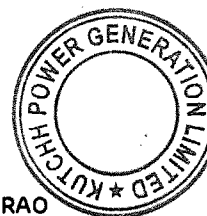
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M.R. KRISHNA RAO

DIRECTOR

DIN No.06495315



Place : Ahmedabad

Date : 23rd May, 2017

Place : Ahmedabad

Date : 23rd May, 2017

Statement of changes in equity for the year ended 31st March, 2017

A. Equity Share Capital

Particulars	No. Shares	(Amount in ₹)
Balance as at 1st April, 2015	50,000	500,000
Changes in equity share capital during the year :		
Balance as at 31st March, 2016	50,000	500,000
Changes in equity share capital during the year :		
Balance as at 31st March, 2017	50,000	500,000

B. Instrument entirely equity in nature
Compulsorily Convertible Debentures

Particulars	No. Debentures	(Amount in ₹)
Balance as at 1st April, 2015	-	-
Debentures issued during the year :	-	-
Balance as at 31st March, 2016	-	-
Debentures issued during the year :	11,838,880	1,183,888,000
Balance as at 31st March, 2017	11,838,880	1,183,888,000

Note :

The Company has issued 0% Compulsory Convertible Debentures of ₹ 100 each to its parent company, Adani Enterprises Limited, against loan outstanding, which shall be mandatorily converted in to equity shares of the Company at par in the ratio of 10:1 at any time after the expiry of 5 years but before 20 years from the date of issue.

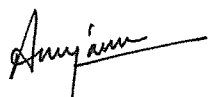
C. Other Equity

Particulars	Reserves and Surplus	(Amount in ₹)
	Retained Earnings	Total
Balance as at 1st April, 2015	(181,345,082)	(181,345,082)
Profit / (Loss) for the period	(174,854,149)	(174,854,149)
Remeasurement of defined benefit plans net of tax	-	-
Total Comprehensive Income for the year	(174,854,149)	(174,854,149)
Balance as at 31st March, 2016	(356,199,231)	(356,199,231)
Balance as at 1st April, 2016	(356,199,231)	(356,199,231)
Profit / (Loss) for the period	(173,356,388)	(173,356,388)
Remeasurement of defined benefit plans net of tax	-	-
Total Comprehensive Income for the year	(173,356,388)	(173,356,388)
Balance as at 31st March, 2017	(529,555,619)	(529,555,619)

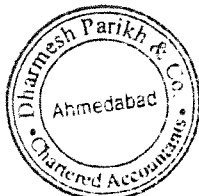
See accompanying notes to financial statements

In terms of our report attached


For DHARMESH PARIKH & CO.
Chartered Accountants
Firm Registration No. 112054W



ANUJ JAIN
PARTNER
Member No.119140



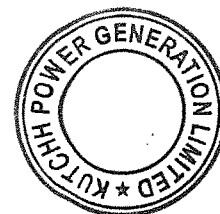
For and on behalf of board of directors



VIRENDRA KASLIWAL
DIRECTOR
DIN No. 07180043



M.R. KRISHNA RAO
DIRECTOR
DIN No.06495315

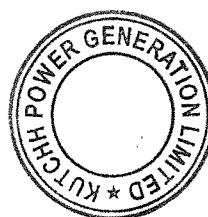
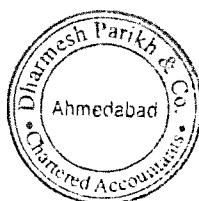


Place : Ahmedabad
Date : 23rd May, 2017

Place : Ahmedabad
Date : 23rd May, 2017

KUTCHH POWER GENERATION LIMITED
Statement of Cash Flow for the year ended 31st March, 2017
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Particulars	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
(A) Cash flow from operating activities		
Loss before tax as per Statement of Profit and Loss	(173,356,388)	(174,845,429)
Adjustment for:		
Interest Income	-	(1,965,018,979)
Gain on sale of units of mutual fund	(82,126)	(29,917)
Depreciation and amortisation expenses	113,738,003	113,738,003
Finance Costs	59,458,270	2,025,722,051
Operating profit before working capital changes	(242,241)	(434,271)
Changes in working capital:		
Decrease in Trade Receivables	-	247,491,300
Decrease in Trade Payables	(71,817)	(249,862,318)
Decrease in Other Current Liabilities	(1,163,530)	(10,792,074)
Decrease / (Increase) in Other Financial Assets	65,361,511	(65,361,511)
	64,126,164	(78,524,603)
Cash generated from operations	63,883,923	(78,958,874)
Less : Tax Paid	-	(1,973,739)
Net cash from operating activities (A)	63,883,923	(80,932,613)
(B) Cash flow from investing activities		
Capital Expenditure on Fixed assets, Capital Work in Progress and Capital Advance	(3,139,911)	(1,994,253)
Investments	(1,218,244)	(20,124)
Loans	-	45,355,757,413
Net cash from / (used in) investing activities (B)	(4,358,155)	45,353,743,036
(C) Cash flow from financing activities		
Proceeds from Short-term borrowings	(50,435)	(43,247,386,179)
Finance Costs Paid	(59,458,270)	(2,025,722,051)
Net cash used in financing activities (C)	(59,508,705)	(45,273,108,230)
Net decrease in cash and cash equivalents (A)+(B)+(C)	17,063	(297,807)
Cash and cash equivalents at the beginning of the year	11,240	309,047
Cash and cash equivalents at the end of the year	28,303	11,240



KUTCHH POWER GENERATION LIMITED

Statement of Cash Flow for the year ended 31st March, 2017

adani

Particulars	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
Notes to Cash flow Statement :		
1 Cash and cash equivalents as per above comprise of the following :		
Cash and cash equivalents as per Balance Sheet	28,303	11,240
Bank overdrafts	-	-
Balances as per statement of cash flows	28,303	11,240

The Cash Flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.

See accompanying notes to financial statements.

In terms of our report attached

For DHARMESH PARIKH & CO.

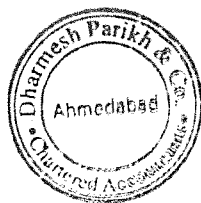
Chartered Accountants

Firm Registration No. 112054W

ANUJ JAIN

PARTNER

Member No.119140



Place : Ahmedabad

Date : 23rd May, 2017

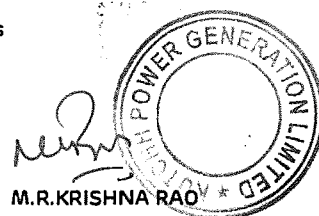
For and on behalf of Board of Directors**VIRENDRA KASLIWAL**

DIRECTOR

DIN No. 07180043

Place : Ahmedabad

Date : 23rd May, 2017

**M.R.KRISHNA RAO**

DIRECTOR

DIN No.06495315

Notes to financial statements for the year ended on 31st March, 2017

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**2.1 (a) Statement of compliance**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Up to the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

2.1 (b) Standards issued but not yet Effective:

Ind - AS 115 "Revenue from Contract with Customers": The MCA had notified Ind - AS 115 "Revenue from Contract with Customers" in February, 2015. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

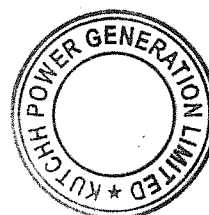
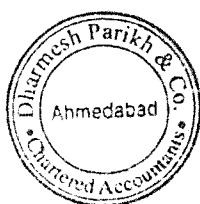
- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Summary of significant accounting policies**a Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset.

Depreciation is recognised based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013 except otherwise stated.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



b Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

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.

c Financial assets**Initial recognition and measurement**

All financial assets, except investment in subsidiaries and associates are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified:

i) At amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses. These include trade receivables, finance receivables, balances with banks, short-term deposits with banks, other financial assets and investments with fixed or determinable payments.

ii) At fair value through profit or loss (FVTPL)

Financial assets which are not measured at amortised cost are measured at FVTPL.

Fair value changes related to such financial assets including derivative contracts like forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, are recognised in the statement of profit and loss.

Derecognition

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Impairment of Financial assets

A financial asset is assessed at each reporting date to determine whether there is an objective evidence which indicates that it is impaired. A financial asset is considered to be impaired if an objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company applies expected credit loss (ECL) model for measurement of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense / (income) in the statement of profit and loss.

d Financial liabilities and equity instruments**Classification as debt or equity**

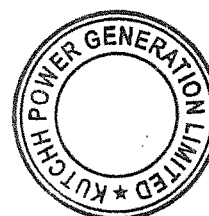
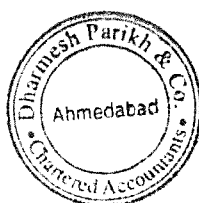
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.



Notes to financial statements for the year ended on 31st March, 2017

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Fair value changes related to such financial liabilities including derivative contracts like forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, are recognised in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

e 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.

f Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

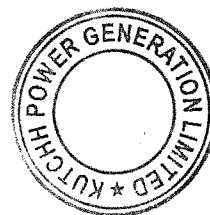
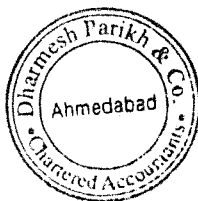
- In the principal market, or
- In the absence of a principal market, in the most advantageous market.

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:



Notes to financial statements for the year ended on 31st March, 2017

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

i Taxes on Income

Tax on Income comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

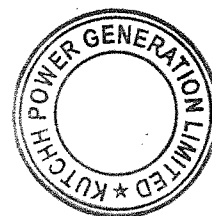
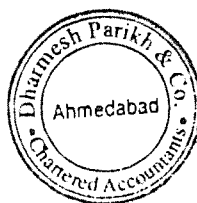
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

j Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.



k Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with the IND AS 33 - "Earning per Share" as specified in the Companies (Indian Accounting Standards) Rules, 2015. 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.

l Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.1 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

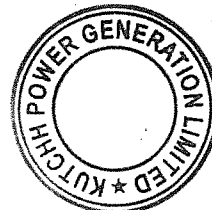
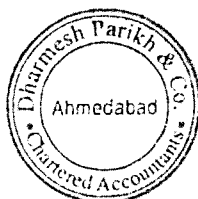
The estimates as at 1st April, 2015 and as at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2015, the date of transition to Ind AS and as at 31st March, 2016.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using ECL model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



3.2 First-time adoption of Ind-AS

The Company has adopted Ind AS from 1st April, 2016 and the date of transition to Ind AS is 1st April, 2015. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 –“First-time Adoption of Indian Accounting Standards”. The Company has presented a reconciliation of its equity under Previous GAAP to its equity under Ind AS as at 31st March, 2016 and of the total comprehensive income for the year ended 31st March, 2016 as required by Ind AS 101.

Following are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

a Estimates

The estimates as at 1st April, 2015 and as at 31st March, 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 as at 1st April, 2015 and as at 31st March, 2016.

b Classification and measurement of financial assets

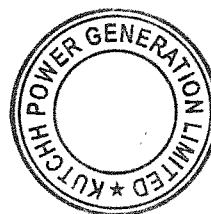
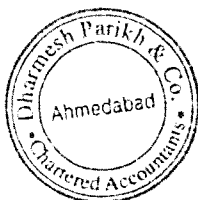
The Company has assessed classification and measurement of financial assets on the basis of facts and circumstances that exist as on transition date.

c 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.

d 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.



3.3 Reconciliation of changes in Equity as at 31st March, 2016 :

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 1st April, 2015
Total Equity as reported under previous GAAP	(355,699,272)	(180,845,082)
Effect of Measuring current investment at fair value (refer note (a) below)	41	-
Adjustment to total equity	41	-
Total Equity as reported under IND AS	(355,699,231)	(180,845,082)

3.4 Reconciliation of total comprehensive income for the period ended 31st March, 2016 :

(Amount in ₹)

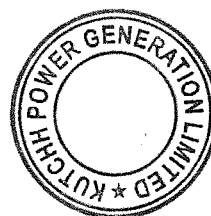
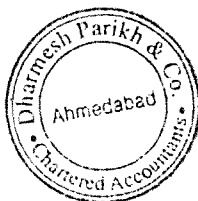
Particulars	For the year ended 31st March, 2016
Loss as per Previous GAAP	(174,854,190)
Ind AS: Adjustments increase / (decrease):	
Effect of Measuring current investment at fair value (refer note (a) below)	41
Total adjustment to profit or loss	41
Profit / (loss) under Ind AS	(174,854,149)
Other comprehensive income	-
Total comprehensive income under Ind AS	(174,854,149)

Footnotes to the reconciliation of Total Equity as at 31st March 2016 and 1st April 2015 and Statement of Other Comprehensive Income for year ended 31st March, 2016.

a) Fair valuation for Financial Assets and Financial Liabilities :

Fair valuation for Financial Assets and Financial Liabilities : The Company has valued financial assets and Financial Liabilities, at fair value. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss Account.

b) Statement of cash flows : The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.



4.1 Property, Plant and Equipment

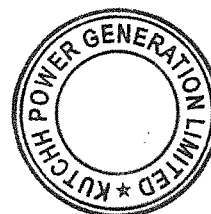
(Amount in ₹)

Description of Assets	Tangible Assets	
	Land - Freehold	Total
I. Cost or Deemed Cost		
Balance as at 1st April, 2015	13,292,730	13,292,730
Additions	-	-
disposals	-	-
Balance as at 31st March,2016	13,292,730	13,292,730
Additions	-	-
disposals	-	-
Balance as at 31st March,2017	13,292,730	13,292,730
II. Accumulated depreciation and impairment		
Balance as at 1st April, 2015		
Depreciation expense	-	-
Eliminated on disposal of assets	-	-
Balance as at 31st March,2016	-	-
Depreciation expense	-	-
Eliminated on disposal of assets	-	-
Balance as at 31st March,2017	-	-
Carrying amount :		
As at 1st April, 2015	13,292,730	13,292,730
As at 31st March, 2016	13,292,730	13,292,730
As at 31st March, 2017	13,292,730	13,292,730

Gross block and accumulated depreciation details as on 1st April, 2015 under Previous GAAP

(Amount in ₹)

Description of Assets	Tangible Assets	
	Land - Freehold	Total
Gross block	13292730	13292730
Accumulated depreciation	-	-
Net block	13,292,730	13,292,730



4.2 Capital Work In Progress

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Plant and Equipments and Buildings Including Project Development Expenditure*	484,768,120	598,739,457	712,477,460
Materials at Site	292,086	292,086	292,086
Total	485,060,206	599,031,543	712,769,546

*Above includes Project Development Expenditure as under:

Opening balance:	565,501,119	679,239,122	679,239,122
Add : Incurred during the year	-	-	-
Less: Capitalised during the year	-	-	-
Less: Impairment during the year	113,738,003	113,738,003	-
Closing Balance	451,763,116	565,501,119	679,239,122

5 Loans

(Unsecured, considered good)

Loans to related parties (Refer note 32)

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Loans to related parties (Refer note 32)	-	-	43,390,738,434
Total	-	-	43,390,738,434

6 Other Non-current Financial Assets

(Unsecured, considered good)

Security deposit (non interest bearing)

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Security deposit (non interest bearing)	-	45,000	45,000
Total	-	45,000	45,000

7 Other Non-current Assets

Capital advances

Balances with government authorities

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Capital advances	143,461,172	140,321,262	140,358,081
Balances with government authorities	112,225	112,225	112,225
Total	143,573,397	140,433,487	140,470,306

8 Investments

Investment in Mutual Funds (UnQuoted)

Reliance Liquidity Fund - Direct Growth Plan Growth Option

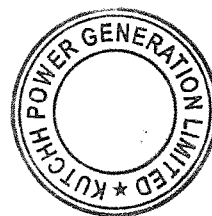
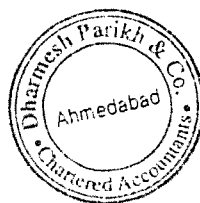
550,922 Units (As at March 2016 - 21,913 Units) of ₹ 1000 each

	As at 31st March, 2017 (₹ in Crores)	As at 31st March, 2016 (₹ in Crores)	As at 1st April, 2015 (₹ in Crores)
Investment in Mutual Funds (UnQuoted)	1,350,411	50,041	-
Total	1,350,411	50,041	-

9 Trade Receivables

Unsecured, considered good

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Unsecured, considered good	-	-	247,491,300
Total	-	-	247,491,300



10 Cash and Cash equivalents

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Balances with banks			
In current accounts	28,303	11,240	309,047
Total	28,303	11,240	309,047

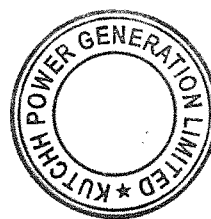
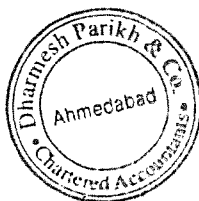
As per the amendment to Schedule III of the Companies Act, 2013 by MCA notification G.S.R 308(E) dated 30th March 2017, every company is required to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016. Since the company did not hold or transact in cash during the entire year, the said disclosure is not applicable.

11 Other Financial Assets

(Unsecured, considered good)

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Interest receivable *	-	65,361,511	-
Security deposit	45,000	-	-
Total	45,000	65,361,511	-

* Receivable from related party (Refer note 32)



12 Share Capital

Authorised Share Capital

50,000 (As at 31st March, 2016 - 50,000 and As at 1st April, 2015 - 50,000)
equity shares of ₹ 10/- each

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
	500,000	500,000	500,000

Total

	500,000	500,000	500,000
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Issued, Subscribed and fully paid-up equity shares

50,000 (As at 31st March, 2016 - 50,000 and As at 1st April, 2015 - 50,000)
equity shares of ₹ 10/- each

	500,000	500,000	500,000
--	---------	---------	---------

Total

	500,000	500,000	500,000
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a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)
At the beginning of the year	50,000	500,000	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000	50,000	500,000

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 Parent Company

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

Adani Enterprises Limited

50,000 (As at 31st March 2016- 50,000 and As at 1st April 2015- 50,000)
equity shares of ₹ 10/- each fully paid

	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
	500,000	500,000	500,000

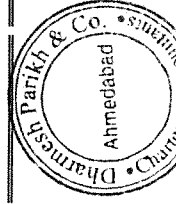
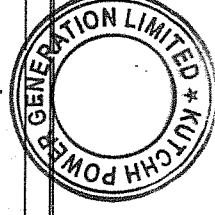
d. Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. Shares	% holding in the class	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹ 10 each fully paid						
Adani Enterprises Limited	50,000	100%	50,000	100%	50,000	100%
(Parent Company)	50,000	100%	50,000	100%	50,000	100%

13 Instrument entirely equity in nature

0% Compulsorily Convertible
Debentures classified as equity

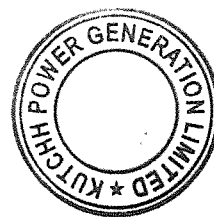
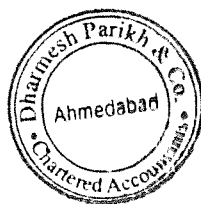
	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. Debentures	(Amount in ₹)	No. Debentures	(Amount in ₹)	No. Debentures	(Amount in ₹)
	11,838,880	1,183,888,000	-	-	-	-
	11,838,880	1,183,888,000	-	-	-	-



14 Other Equity	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Retained earnings	(529,555,619)	(356,199,231)	(181,345,082)
Total	(529,555,619)	(356,199,231)	(181,345,082)

Retained earnings**Surplus / (Deficit) in the Statement of Profit and Loss**

Opening Balance		(356,199,231)	(181,345,082)
Add : Profit / (Loss) for the year		(173,356,388)	(174,854,149)
Closing Balance	Total	(529,555,619)	(356,199,231)



15 Short-term Borrowings	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Secured Borrowings	-	-	-
Unsecured Borrowings			
Other Loans and Advances			
From Related Parties (Refer note 32)	-	1,183,938,435	44,431,324,614
Total	-	1,183,938,435	44,431,324,614

Loans from related parties are repayable within one year from the date of agreement and carry and interest rate ranging from 10% to 10.25%

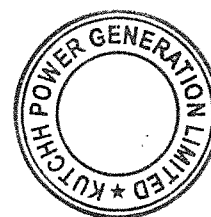
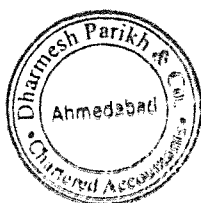
16 Trade Payables	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Trade Payables	26,250	98,067	249,960,385
Total	26,250	98,067	249,960,385

Note:

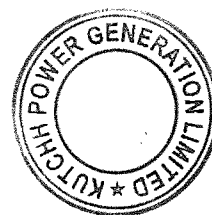
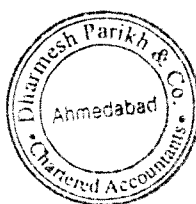
There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (including interest on outstanding dues) which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

17 Other Financial Liabilities	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Retention money payable	-	71,700	1,699,238
Capital Creditors	-	233,335	636,869
Total	-	305,035	2,336,107

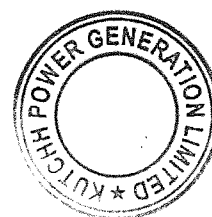
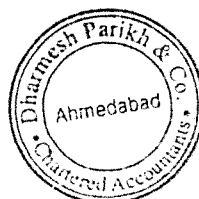
18 Other Current Liabilities	As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
Statutory liabilities (TDS)	5,150	1,096,980	11,889,054
Total	5,150	1,096,980	11,889,054



19 Other Income	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
Interest Income (refer note (i) below)	-	1,965,018,979
Income from mutual funds	82,126	29,917
Miscellaneous Income	89,179	-
Total	171,305	1,965,048,896
i) Interest income of ₹ Nil (Previous Year ₹ 1,965,018,979) on financial assets carried at amortised cost, which includes interest from Inter Corporate Deposit.		
20 Finance costs	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
(a) Interest Expenses on :		
Interest on Loans *	59,458,147	2,025,720,003
	59,458,147	2,025,720,003
(b) Other borrowing costs :		
Bank Charges & Other Borrowing Costs	123	2,048
	123	2,048
Total	59,458,270	2,025,722,051
* Interest on loan to Related party (Refer note 32)		
21 Other Expenses	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
Rates and Taxes	2,400	39,217
Legal & Professional Expenses	421	38,912
Directors' Sitting Fees	268,905	64,156
Payment to Auditors :		
Statutory Audit Fees	28,750	40,075
Tax Audit Fees	-	40,075
Others	30,944	-
Miscellaneous Expenses	-	211,836
Total	331,420	434,271



22	Income Tax	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
	Current Tax		
	Current Income Tax Charge	-	-
	Adjustments in respect of prior years	-	8,720
	Total (a)	-	8,720
	Deferred Tax		
		-	-
	Total (b)	-	-
	Total (a)+(b)	-	8,720
	OCI section		
	Deferred tax related to items recognised in OCI during in the year		
	Total	-	-
		For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
	(Loss) / Profit before tax as per Statement of Profit and loss (including OCI)	(173,356,388)	(174,845,429)
	Income Tax using the Company's domestic Tax rate @ 34.608%	(59,995,179)	(60,510,506)
	Tax Effect of :		
	Incremental depreciation allowable on assets	39,362,448	-
	Provisions disallowed	-	-
	Current year Losses for which no Deferred Tax Asset is created	44,733	-
	Income and expenses not allowed under income tax	20,587,998	60,510,506
	Income tax recognised in Statement of Profit and loss at effective rate	-	-
	Total Tax Expenses for the year	-	-
	Net (DTL) / DTA recognised during the year	-	-



23 Contingent Liabilities and Commitments (to the extent not provided for):**(i) Contingent liabilities :**

As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
-	-	-

(ii) Commitments :

Estimated amount of contract remaining to be executed on capital account and not provided for (Net of advance)

As at 31st March, 2017 (Amount in ₹)	As at 31st March, 2016 (Amount in ₹)	As at 1st April, 2015 (Amount in ₹)
1,613,388	3,721,250	1,648,274
Total	1,613,388	3,721,250
		1,648,274

24 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.

25 Financial Risk objective and policies

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 mainly cash and cash equivalents. 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 Companies 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 Group'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 investments, 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.

Maturity profile of financial liabilities :

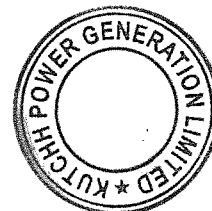
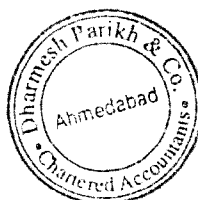
The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payment.

As at 31st March, 2017	(Amount in ₹)	
	Less than 1 year	Total
Trade Payables	26,250	26,250

26 Fair Value Measurement

a) The carrying value of financial instruments by categories as of 31st March, 2017 is as follows :

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total
Financial Assets					
Cash and cash equivalents	-	-	-	28,303	28,303
Current Investment	-	1,350,411	-	-	1,350,411
Other Financial assets	-	-	-	45,000	45,000
Total	-	1,350,411	-	73,303	1,423,714
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade Payables	-	-	-	26,250	26,250
Total	-	-	-	26,250	26,250



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

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total
Financial Assets					
Cash and cash equivalents	-	-	-	11,240	11,240
Current Investment	-	50,041	-	-	50,041
Other Financial assets	-	-	-	65,406,511	65,406,511
Total	-	50,041	-	65,417,751	65,467,792
Financial Liabilities					
Borrowings	-	-	-	1,183,938,435	1,183,938,435
Trade Payables	-	-	-	98,067	98,067
Other Financial Liabilities	-	-	-	305,035	305,035
Total	-	-	-	1,184,341,537	1,184,341,537

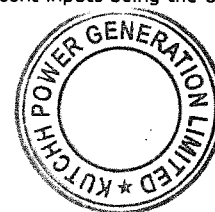
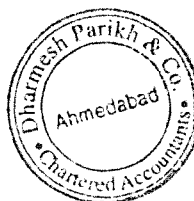
c) The carrying value of financial instruments by categories as of 1st April, 2015 is as follows :

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total
Financial Assets					
Cash and cash equivalents	-	-	-	309,047	309,047
Trade Receivables	-	-	-	247,491,300	247,491,300
Loans	-	-	-	43,390,738,434	43,390,738,434
Other Financial assets	-	-	-	45,000	45,000
Total	-	-	-	43,638,583,781	43,638,583,781
Financial Liabilities					
Borrowings	-	-	-	44,431,324,614	44,431,324,614
Trade Payables	-	-	-	249,960,385	249,960,385
Other Financial Liabilities	-	-	-	2,336,107	2,336,107
Total	-	-	-	44,683,621,106	44,683,621,106

27 Fair Value hierarchy :

As at31st March, 2017			
Particulars	Level 2	Level 3	Total
Assets			
Current Investments	1,350,411	-	1,350,411
Total	1,350,411	-	1,350,411
As at31st March, 2016			
Particulars	Level 2	Level 3	Total
Assets			
Current Investments	50,041	-	50,041
Total	50,041	-	50,041
As at1st April, 2015			
Particulars	Level 2	Level 3	Total
Assets			
Current Investments	-	-	-
Total	-	-	-

The fair value of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate reflects the credit risk of counterparties.



28 Payment to Auditors:

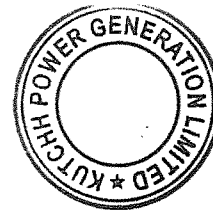
	For the year ended 31st March, 2017 (Amount in ₹)	For the year ended 31st March, 2016 (Amount in ₹)
Audit fees	28,750	80,150
Fees for Certification	30,944	-
Out of Pocket Expenses	-	-
Total	59,694	80,150

29 The company evaluates its working capital position for ensuing financial year based on the projected cash flow statement. The Company plans to meet the financial obligations based on continued support from its Parent Company as may be required to sustain its operation on going concern basis. Having regard to the above, the financial statements have been prepared by the Management of the Company on a going concern basis.

30 Pursuant to the Ind AS - 33 'Earnings per Share', the disclosure is as under:

		For the year ended 31st March, 2017	For the year ended 31st March, 2016
a. Basic and Diluted EPS			
Profit / (Loss) attributable to equity shareholders	(Amount in ₹)	(173,356,388)	(174,854,149)
Weighted average number of equity shares outstanding	No	50,000	50,000
Nominal Value of equity share	₹	10	10
Basic and Diluted EPS	₹	(3,467)	(3,497)

31 The Company's activities during the year revolve around power generation. Considering the nature of Company's business and operations, as well as based on reporting to the chief operating decision maker to make decision about resource allocation and performance measurement, there is only one reportable segment (business and/or geographical) in accordance with the requirements of IND AS - 108 - "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.



32 Related party transactions**a. List of related parties and relationship**

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

b. Transaction with related parties

(Amount in ₹)

Sr No.	Related Party	Nature of Transaction	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Adani Enterprises Limited	Loan Repayment * Loan taken Interest on loan Issue of Compulsorily Convertible Debentures ("CCD") treated as equity *	1,250,888,503 66,950,068 59,458,147 1,183,888,000	43,471,101,426 223,715,247 2,025,720,003 -
2	Adani Power Limited	Loan received back Loans Given Interest Income on Loan	- - -	43,391,738,434 1,000,000 1,965,018,979

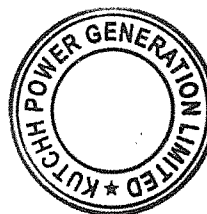
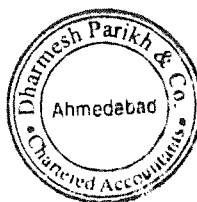
* CCD issued upon conversion of Loan

c. Balances with related parties

Sr No.	Related Party	Type of Balance	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Adani Enterprises Limited	Balance Payable against Loan	-	1,183,938,435	44,431,324,614
2	Adani Enterprises Limited	Issue of Compulsorily Convertible Debentures treated as equity	1,183,888,000	-	-
1	Adani Power Limited	Balance Receivable	-	65,361,511	43,390,738,434
2	Adani Ports & Special Economic Zone Ltd	Balance Receivable	32,052,150	32,052,150	32,052,150

The amounts outstanding are unsecured and will be settled in cash or kind. No guarantees have been given or received. No expense has been recognised in current year or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

33 Previous year's figures have been recast, regrouped and rearranged, wherever necessary to conform to this year's classification.

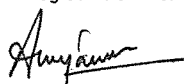


34 Approval of financial statements

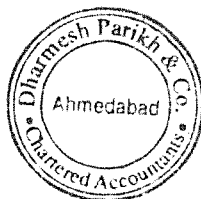
The financial statements were approved for issue by the board of directors on 23rd May, 2017.

In terms of our report attached

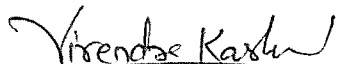
For DHARMESH PARIKH & CO.
Chartered Accountants
Firm Registration No. 112054W



ANUJ JAIN
PARTNER
Member No.119140



For and on behalf of Board of Directors



VIRENDRA KASLIWAL
DIRECTOR
DIN No. 07180043

Place : Ahmedabad
Date : 23rd May, 2017

Place : Ahmedabad
Date : 23rd May, 2017



M.R.KRISHNA RAO
DIRECTOR
DIN No.06495315

