

## INDEPENDENT AUDITORS' REPORT

To the Members of Surguja Power Private Limited

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying financial statements of Surguja Power Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for 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 (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 Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

We have taken into account the provisions of the Act and the Rules made thereunder including 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the 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 auditors consider internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit



also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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, of the state of affairs of the Company as at March 31, 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

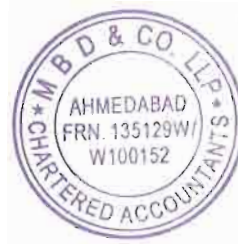
### Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

For **M B D & Co LLP**  
Firm Registration Number: 135129W/W100152  
Chartered Accountants



*Bhavik K Shah*

Place: Ahmedabad  
Date: May 1, 2018

**Bhavik K Shah**  
Partner  
Membership Number: 129674

### **Annexure to Auditors' Report**

Referred to in Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Surguja Power Private Limited on the financial statements as of and for the year ended March 31, 2018

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable
- (c) Company does not own any immovable properties and thus the provision of clause 3(i)(c) of the said order are not applicable.
- ii) As the business of the Company has not yet commenced, it does not have inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company
- iii) The Company has not granted any loans secured or unsecured to any parties covered in the register mentioned under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) (a), (b) & (c) of the said Order are not applicable to the Company.
- iv) The company has complied with provisions of section 185 and 186 of the companies Act, 2013 in respect of loans, investments, guarantees and security.
- v) The Company has not accepted any deposits and thus reporting under clause 3(v) of the Order is not applicable to the Company.
- vi) According to the information and explanations given to us, as the company has not yet commenced the business operation, maintenance of cost records under clause 148(1) of the Companies Act, 2013 is not applicable to the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income tax, service tax, cess, goods and service tax and other statutory dues, as applicable, with the appropriate authorities and there are no amount of statutory dues that were outstanding, at the period end, for a period of more than six months from the date they became payable. The company is not liable to pay Provident Fund, employees' State Insurance, sales tax and custom duty.
- (b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no amount outstanding with respect to income tax or sales tax or service tax or duty of excise or value added tax on account of any dispute.
- viii. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised money 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 to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year nor have we been informed of any such case by the Management.
- xi. The Company has not paid or provided any managerial remuneration. Accordingly the provision of Clause 3(xii) of Order are not applicable to company



### **Annexure to Auditors' Report**

Referred to in Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Surguja Power Private Limited on the financial statements as of and for the year ended March 31, 2018  
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xii. The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. All the transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. According to the information and explanations given to us and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or any person connected to him.

xvi. The company is not required to be registered under sections 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.



For **M B D & Co LLP**

Firm Registration Number: 135129W/W100152

Chartered Accountants

*Bhavik K Shah*

**Bhavik K Shah**

Partner

Membership Number: 129674

Place: Ahmedabad

Date: May 1, 2018

## **Annexure A to Auditors' Report**

Referred to in Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Surguja Power Private Limited on the financial statements as of and for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of Adani Bunkering Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 (ICAI). 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 Act.

#### **Auditors' Responsibility**

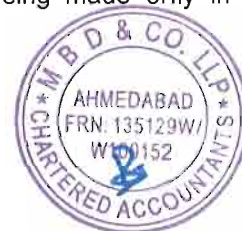
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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



## **Annexure A to Auditors' Report**

Referred to in Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Surguja Power Private Limited on the financial statements as of and for the year ended March 31, 2018

accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For **M B D & Co LLP**

Firm Registration Number: 135129WW100152

Chartered Accountants,

**Bhavik K Shah**

Partner

Membership Number: 129674

Place: Ahmedabad

Date: May 1, 2018

**Surguja Power Private Limited**  
Balance Sheet as at 31st March, 2018



Particulars	Notes	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	4	5,46,163	6,07,447
(b) Capital Work-In-Progress	4.1	6,54,05,663	6,17,10,500
<b>Total Non-current Assets</b>		<b>6,59,51,826</b>	<b>6,23,17,947</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Investments	5	3,65,434	12,00,337
(ii) Cash and Cash Equivalents	6	25,005	13,332
(iii) Other Financial Assets	7	3,800	3,800
<b>Total Current Assets</b>		<b>3,94,239</b>	<b>12,17,469</b>
<b>Total Assets</b>		<b>6,63,46,065</b>	<b>6,35,35,416</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	8	1,00,000	1,00,000
(b) Other Equity	9	(1,98,37,666)	(1,26,07,166)
<b>Total Equity</b>		<b>(1,97,37,666)</b>	<b>(1,25,07,166)</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
<b>Total Non-current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	7,93,59,345	7,19,15,170
(ii) Other Current Financial Liabilities	11	65,42,530	39,31,723
(b) Other Current Liabilities	12	1,81,856	1,72,619
(c) Current tax liabilities (net)	13	-	23,070
<b>Total Current Liabilities</b>		<b>8,60,83,731</b>	<b>7,60,42,582</b>
<b>Total Liabilities</b>		<b>8,60,83,731</b>	<b>7,60,42,582</b>
<b>Total Equity and Liabilities</b>		<b>6,63,46,065</b>	<b>6,35,35,416</b>

See accompanying notes to the financial statements

In terms of our report attached

For M B D & Co LLP

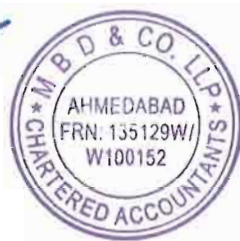
Chartered Accountants

Firm's Registration Number : 135129W/W100152

Bhavik K. Shah

Partner

Membership No. 129674



For and on behalf of the board of directors of

Surguja Power Private Limited

*K. S. Nagendra*

K. S. Nagendra

Director

DIN 06859146

*Kandarp Patel*

Kandarp Patel

Director

DIN 02947643

Place : Ahmedabad

Date : 1st May, 2018

Place : Ahmedabad

Date : 1st May, 2018

**Surguja Power Private Limited**
**Statement of Profit and Loss for the year ended 31st March, 2018**


Particulars	Notes	For the year ended 31st March, 2018 (Amount in ₹)	For the year ended 31st March, 2017 (Amount in ₹)
Other Income	14	1,109	-
<b>Total Income</b>		<b>1,109</b>	<b>-</b>
<b>Expenses</b>			
Finance Costs	15	72,15,750	11,54,974
Other Expenses	16	37,820	1,26,189
<b>Total Expenses</b>		<b>72,53,570</b>	<b>12,81,163</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(72,52,461)</b>	<b>(12,81,163)</b>
<b>Exceptional items</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) before tax</b>		<b>(72,52,461)</b>	<b>(12,81,163)</b>
<b>Tax Expense:</b>			
Current Tax	17	(21,961)	24,691
Deferred Tax		-	-
		<b>(21,961)</b>	<b>24,691</b>
<b>Profit / (Loss) after tax</b>	<b>Total A</b>	<b>(72,30,500)</b>	<b>(13,05,854)</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income		-	-
<b>Other Comprehensive Income (After Tax)</b>	<b>Total B</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period / year</b>	<b>Total (A+B)</b>	<b>(72,30,500)</b>	<b>(13,05,854)</b>
<b>Earnings Per Equity Share (EPS)</b>			
Basic and Diluted EPS (₹)	22	(723.05)	(130.59)

See accompanying notes to the financial statements

**In terms of our report attached**
**For M B D & Co LLP**  
**Chartered Accountants**
**Firm's Registration Number : 135129W/W100152**
**For and on behalf of the board of directors of**  
**Surguja Power Private Limited**
**Bhavik K. Shah**  
**Partner**

Membership No. 129674


**K. S. Nagendra**  
**Director**

DIN 06859146

**Kandarp Patel**  
**Director**

DIN 02947643

**Place : Ahmedabad**  
**Date : 1st May, 2018**

**Place : Ahmedabad**  
**Date : 1st May, 2018**

**Surguja Power Private Limited**

Statement of Cash Flow for the year ended 31st March, 2018

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Particulars	For the year ended 31st March, 2018 (Amount in ₹)	For the year ended 31st March, 2017 (Amount in ₹)
<b>(A) Cash flow from operating activities</b>		
Profit / (loss) before tax as per Statement of Profit and Loss	(72,52,461)	(12,81,163)
Adjustment for:		
Miscellaneous Income	(1,109)	-
Interest Expenses	72,15,750	11,54,974
Operating profit before working capital changes	<b>(37,820)</b>	<b>(1,26,189)</b>
<b>Changes in working capital:</b>		
Increase in Other Current Liabilities	9,237	2,771
	<b>9,237</b>	<b>2,771</b>
<b>Cash generated from operations</b>	<b>(28,583)</b>	<b>(1,23,418)</b>
Less : Taxes Paid	-	(2,730)
<b>Net cash used in operating activities (A)</b>	<b>(28,583)</b>	<b>(1,26,148)</b>
<b>(B) Cash flow from investing activities</b>		
Capital Expenditure on Property Plant and Equipment including Capital Work-in-Progress and Capital Advance	(10,27,234)	(1,05,42,227)
Sale / Purchase of Current Investments (net)	8,39,065	(58,897)
Other Non-current Financial Assets	-	-
Bank balances other than Cash and Cash Equivalents	-	-
<b>Net cash used in investing activities (B)</b>	<b>(1,88,169)</b>	<b>(1,06,01,124)</b>
<b>(C) Cash flow from financing activities</b>		
Proceeds from Short-term borrowings (Net)	2,28,425	1,06,74,388
<b>Net cash generated form financing activities (C)</b>	<b>2,28,425</b>	<b>1,06,74,388</b>
<b>Net decrease in cash and cash equivalents (A)+(B)+(C)</b>	<b>11,673</b>	<b>(52,884)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13,332</b>	<b>66,216</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>25,005</b>	<b>13,332</b>
<b>Notes to Cash flow Statement :</b>		
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 6)	25,005	13,332
	<b>25,005</b>	<b>13,332</b>

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

See accompanying notes to the financial statements  
In terms of our report attachedFor M B D & Co LLP  
Chartered Accountants  
Firm's Registration Number : 135129W/W100152Bhavik K. Shah  
Partner  
Membership No. 129674For and on behalf of the board of directors of  
Surguja Power Private LimitedK. S. Nagendra  
Director  
DIN 06859146Kandarp Patel  
Director  
DIN 02947643Place : Ahmedabad  
Date : 1st May, 2018Place : Ahmedabad  
Date : 1st May, 2018

## A. Equity Share Capital

Particulars	No. Shares	(Amount in ₹)
Balance as at 1st April, 2016	10,000	1,00,000
Changes in equity share capital during the year :	-	-
Balance as at 31st March, 2017	10,000	1,00,000
Changes in equity share capital during the year :	-	-
Balance as at 31st March, 2018	10,000	1,00,000

## B. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1st April, 2016	(1,13,01,312)	(1,13,01,312)
Profit / (Loss) for the year	(13,05,854)	(13,05,854)
Other comprehensive income	-	-
Total Comprehensive Income for the year	(13,05,854)	(13,05,854)
Balance as at 31st March, 2017	(1,26,07,166)	(1,26,07,166)
Balance as at 1st April, 2017	(1,26,07,166)	(1,26,07,166)
Profit / (Loss) for the year	(72,30,500)	(72,30,500)
Other comprehensive income	-	-
Total Comprehensive Income for the year	(72,30,500)	(72,30,500)
Balance as at 31st March, 2018	(1,98,37,666)	(1,98,37,666)

See accompanying notes to the financial statements

In terms of our report attached

For M B D &amp; Co LLP

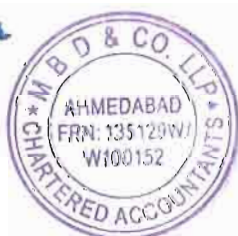
Chartered Accountants

Firm's Registration Number : 135129W/W100152

Bhavik K. Shah

Bhavik K. Shah  
Partner

Membership No. 129674

For and on behalf of the board of directors of  
Surguja Power Private Limited

K. S. Nagendra

K. S. Nagendra  
Director  
DIN 06859146

Kandarp Patel

Kandarp Patel  
Director  
DIN 02947643

Place : Ahmedabad

Date : 1st May, 2018



Place : Ahmedabad

Date : 1st May, 2018

**1 Corporate information**

Surguja Power Private Limited (SPPL) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 2013 having its registered office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. The company is in the process of setting up 600 MW (150 MW x 4 units) Thermal Power Plant based on CFBC Boiler using the Coal washery rejects at Dist. Surguja, Chhattisgarh.

**2 Significant accounting policies****2.1 Basis of preparation**

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

These Financial statements have been prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS. 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.

The Financial Statements are presented in INR.

**2.2 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 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.

**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 cashflows 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.

**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 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company- has identified twelve months as its operating cycle.

**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.

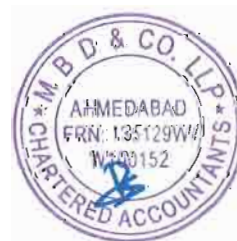
The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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:

- 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**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured, regardless of when the payment is being made.

Interest income is accounted for on 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.

Capitalisation of borrowing cost is suspended during extended period in which active development of a qualifying asset is suspended.

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

**i Taxation**

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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). 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 Impairment****i) Impairment of tangible and intangible 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 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.

There are no significant 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. 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.



## 4 Property, Plant and Equipment and Capital Work-In-Progress :

(Amount in ₹)

Description of Assets	Tangible Assets			Capital Work-In-Progress (Refer Note 4.1)
	Plant and Equipment - Freehold	Furniture and Fixtures	Total	
<b>I. Gross Block</b>				
Balance as at 1st April, 2016	6,42,873	76,306	7,19,179	4,85,47,157
Additions	-	-	-	1,31,63,343
disposals	-	-	-	-
Balance as at 31st March,2017	6,42,873	76,306	7,19,179	6,17,10,500
Additions	-	-	-	36,95,163
disposals	-	-	-	-
Balance as at 31st March,2018	6,42,873	76,306	7,19,179	6,54,05,663
<b>II. Accumulated depreciation and impairment</b>				
Balance as at 1st April, 2016	42,280	8,168	50,448	-
Depreciation expense	51,279	10,005	61,284	-
Eliminated on disposal of assets	-	-	-	-
Balance as at 31st March,2017	93,559	18,173	1,11,732	-
Depreciation expense	51,279	10,005	61,284	-
Eliminated on disposal of assets	-	-	-	-
Balance as at 31st March,2018	1,44,838	28,178	1,73,016	-

## Carrying value of Property, Plant and Equipment and Capital Work-In-Progress :

(Amount in ₹)

Description of Assets	Tangible Assets			Capital Work-In-Progress (Refer Note 4.1)
	Plant and Equipment - Freehold	Furniture and Fixtures	Total	
<b>Carrying Amount :</b>				
As at 31st March,2016	6,00,593	68,138	6,68,731	4,85,47,157
As at 31st March,2017	5,49,314	58,133	6,07,447	6,17,10,500
As at 31st March,2018	4,98,035	48,128	5,46,163	6,54,05,663

Notes :

1. Depreciation during the year Rs. 61,284/- (Previous year Rs. 61,284/-) has been transferred to Expenditure during construction period.



## 4.1 Capital Work-In-Progress

		As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
<b>Project Development Expenditure</b>			
Opening balance brought Forward	<b>Total (A)</b>	6,17,10,500	4,85,47,157
<b>(a) Expenses</b>			
Consultancy Services		36,64,532	76,85,934
Administrative and Office Expenses		-	2,10,228
Interest and Finance Charges		-	53,24,179
Depreciation		61,284	61,284
	<b>Total (a)</b>	<b>37,25,816</b>	<b>1,32,81,625</b>
<b>(b) Less : Other Income</b>			
Miscellaneous Income	<b>Total (b)</b>	30,653	1,18,282
	<b>Total (B) (a-b)</b>	<b>36,95,163</b>	<b>1,31,63,343</b>
	<b>Total (A + B)</b>	<b>6,54,05,663</b>	<b>6,17,10,500</b>

**Note :**

Borrowing cost (Interest and Finance Charges) during the year is Nil (Previous year Rs. 53,24,179/-) has been transferred to Expenditure during construction period.

The Company has suspended capitalisation of borrowing costs during the current financial year due to suspension of active development of the qualifying asset.

## 5 Investments

		As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
<b>Investment at Fair Value through Profit and Loss</b>			
<b>Investment in Mutual Funds (Unquoted)</b>			
Birla Sun Life Cash Plus-Direct-Growth*		3,65,434	12,00,337
	<b>Total</b>	<b>3,65,434</b>	<b>12,00,337</b>

\* Unit 1308.32 as on 31st March, 2018 (As at 31st March, 2017 unit 4593.56)

## 6 Cash and Cash equivalents

		As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
Balances with banks			
In current accounts		25,005	13,332
	<b>Total</b>	<b>25,005</b>	<b>13,332</b>

## 7 Other Financial Assets

		As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
Security deposit		3,800	3,800
	<b>Total</b>	<b>3,800</b>	<b>3,800</b>



**Surguja Power Private Limited**

Notes to financial statements for the year ended on 31st March, 2018

**adani**
**8 Share Capital**

	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
Authorised Share Capital 10,000 Equity shares of Rs. 10/- each	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>
Issued, Subscribed and fully paid-up equity shares 10,000 Equity shares of Rs. 10/- each fully paid	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

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

	As at 31st March, 2018		As at 31st March, 2017	
	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)
At the beginning of the year	10,000	1,00,000	10,000	1,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

**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 one vote per share. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**c. Shares held by holding company**

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

	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
Adani Enterprises Limited (Holding Company with its nominees)	1,00,000	1,00,000

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

	As at 31st March, 2018		As at 31st March, 2017	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Adani Enterprises Limited	10,000	100%	10,000	100%
	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>

**9 Other Equity**

	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
Retained earnings		
Opening Balance	(1,26,07,166)	(1,13,01,312)
Add : (Loss) for the year	(72,30,500)	(13,05,854)
<b>Closing Balance</b>	<b>(1,98,37,666)</b>	<b>(1,26,07,166)</b>

Total



**Surguja Power Private Limited**

Notes to financial statements for the year ended on 31st March, 2018

**adani****10 Short-term Borrowings****Unsecured Borrowings**

From Related Parties (Refer Note 24)

	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
	7,93,59,345	7,19,15,170
<b>Total</b>	<b>7,93,59,345</b>	<b>7,19,15,170</b>

**Note :**

Loan from Related Parties are repayable within one year from the date of agreement.

**11 Other Financial Liabilities**

Retention money payable

Capital Creditors

Other Payable

	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
	18,210	7,24,512
	64,93,640	31,89,836
	30,680	17,375
<b>Total</b>	<b>65,42,530</b>	<b>39,31,723</b>

**12 Other Current Liabilities**

Statutory liabilities (includes TDS)

	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
	1,81,856	1,72,619
<b>Total</b>	<b>1,81,856</b>	<b>1,72,619</b>

**13 Current tax Liabilities (net)**

Income-tax payable

	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
	-	23,070
<b>Total</b>	<b>-</b>	<b>23,070</b>

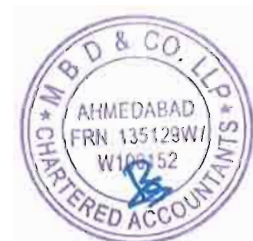


**Surguja Power Private Limited**

Notes to financial statements for the year ended on 31st March, 2018

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<b>14 Other Income</b>		<b>For the year ended 31st March, 2018 (Amount in ₹)</b>	<b>For the year ended 31st March, 2017 (Amount in ₹)</b>
Miscellaneous Income		1,109	-
<b>Total</b>		<b>1,109</b>	<b>-</b>
<b>15 Finance costs</b>		<b>For the year ended 31st March, 2018 (Amount in ₹)</b>	<b>For the year ended 31st March, 2017 (Amount in ₹)</b>
<b>Interest Expenses on :</b>			
Interest on Loans		72,15,750	11,53,865
Interest on Others		-	1,109
<b>Total</b>		<b>72,15,750</b>	<b>11,54,974</b>
<b>16 Other Expenses</b>		<b>For the year ended 31st March, 2018 (Amount in ₹)</b>	<b>For the year ended 31st March, 2017 (Amount in ₹)</b>
Rates and Taxes		2,400	2,400
Legal & Professional Expenses		17,720	1,09,352
<b>Payment to Auditors</b>			
Statutory Audit Fees		17,700	14,437
<b>Total</b>		<b>37,820</b>	<b>1,26,189</b>
<b>17 Income Tax</b>			
The major components of income tax expense for the years ended 31st March, 2018 and 31st March, 2017 are:			
<b>Income Tax Expense :</b>		<b>For the year ended 31st March, 2018 (Amount in ₹)</b>	<b>For the year ended 31st March, 2017 (Amount in ₹)</b>
<b>Current Tax:</b>			
Current Tax		-	21,961
Adjustment in respect of prior year		(21,961)	2,730
<b>Total</b>		<b>(21,961)</b>	<b>24,691</b>
<b>Accounting profit / (loss) before tax</b>		<b>(72,52,461)</b>	<b>(12,81,163)</b>
Tax Rate for Corporate Entity as per Income Tax Act, 1961		25.75%	30.90%
<b>Income tax using the company's domestic tax rate</b>		<b>(18,67,509)</b>	<b>(3,95,879)</b>
<b>Tax Effect of :</b>			
i) Current year losses for which no deferred tax asset is recognised		18,67,509	3,85,145
ii) Income from Mutual Fund (net off allowable expenses)		-	32,696
iii) Income-taxes related to prior years		(21,961)	2,730
<b>Income tax recognised in profit and loss account at effective rate</b>		<b>(21,961)</b>	<b>24,691</b>
<b>Total Tax Expense for the year</b>		<b>(21,961)</b>	<b>24,691</b>



**18 Financial Risk objective and policies:**

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

**Market Risk :**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk.

**Interest Risk :**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any interest exposure to which the risk of changes in market interest rates apply.

**Credit Risk :**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

**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 continued support from parent company.

**Maturity profile of financial liabilities:**

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

As at 31st March, 2018	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	7,93,59,345	-	-	7,93,59,345
Other Current Financial Liabilities	65,42,530	-	-	65,42,530

**19 Capital Management**

The Company's objectives for managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through support from parent company. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

No changes were made in the objectives, policies or processes for managing capital during the year ended as at 31st March, 2018 and as at 31st March, 2017.



**20 Disclosures under MSMED Act :**

There are no Micro, Small and Medium Enterprises as defined in Micro, Small and medium enterprises development act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made.

**21 Commitments**

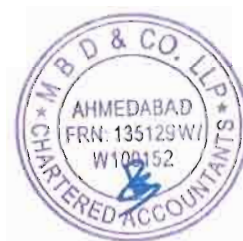
(to the extent not provided for)

Capital Commitment

	As at 31st March, 2018 (Amount in ₹)	As at 31st March, 2017 (Amount in ₹)
	6,25,97,587	6,38,40,547
<b>Total</b>	<b>6,25,97,587</b>	<b>6,38,40,547</b>

**22 Pursuant to the Indian Accounting Standard 33 – Earning per Share, the disclosure is as under:**

	UOM	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Basic and Diluted EPS</b>			
Profit/ (Loss) attributable to equity shareholders	₹	(72,30,500)	(13,05,854)
Weighted average number of equity shares outstanding during the year	No.	10,000	10,000
Nominal Value of equity share	₹	10	10
Basic and Diluted EPS	₹	(723.05)	(130.59)



**23 Fair Value Measurement :**

a) The carrying value of financial instruments by categories as of 31st March, 2018 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total
<b>Financial Assets</b>				
Investments	-	3,65,434	-	3,65,434
Cash and Cash Equivalents	-	-	25,005	25,005
Other Financial Assets	-	-	3,800	3,800
<b>Total</b>	-	3,65,434	28,805	3,94,240
<b>Financial Liabilities</b>				
Borrowings	-	-	7,93,59,345	7,93,59,345
Other Financial Liabilities	-	-	65,42,530	65,42,530
<b>Total</b>	-	-	8,59,01,875	8,59,01,875

b) 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	Amortised Cost	Total
<b>Financial Assets</b>				
Investments	-	12,00,337	-	12,00,337
Cash and Cash Equivalents	-	-	13,332	13,332
Other Financial Assets	-	-	3,800	3,800
<b>Total</b>	-	12,00,337	17,132	12,17,469
<b>Financial Liabilities</b>				
Borrowings	-	-	7,19,15,170	7,19,15,170
Other Financial Liabilities	-	-	39,31,723	39,31,723
<b>Total</b>	-	-	7,58,46,893	7,58,46,893

23.1 Investments as at 31st March, 2018 of Rs. 3,65,434 (as at 31st March, 2017 of Rs. 12,00,337.) fair value through Profit or Loss falls under the category of Level 2 in fair value hierarchy.

**24 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
Immediate Holding Company	Adani Enterprises Limited

**Terms and conditions of transactions with related parties**

Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**Notes:**

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

**b) Transaction with Related Parties :**

(Amount in ₹)

Name of Related Party	Nature of Transaction	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Adani Enterprise Limited	Loan Taken	74,44,175	1,38,28,254
	Loan Repaid	-	20,00,000
	Interest Expenses	72,15,750	64,78,814

**c) Balances With Related Parties :**

(Amount in ₹)

Name of Related Party	Nature of Transaction	As at 31st March, 2018	As at 31st March, 2017
Adani Enterprise Limited	Borrowings	7,93,59,345	7,19,15,170



**25 Approval of financial statements**


The financial statements were approved for issue by the board of directors on 1st May, 2018.

**In terms of our report attached**

For M B D & Co LLP

Chartered Accountants

Firm's Registration Number : 135129W/W100152



Bhavik K. Shah

Partner

Membership No. 129674

Place : Ahmedabad

Date : 1st May, 2018



For and on behalf of the board of directors of  
Surguja Power Private Limited



K. S. Nagendra

Director

DIN 06859146

Place : Ahmedabad

Date : 1st May, 2018



Kandarp Patel

Director

DIN 02947643