

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 Partners of MAHAGUJ POWER LLP

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of MAHAGUJ POWER LLP ("the LLP"), which comprise the Balance Sheet as at 31st March, 2018, the Profit and Loss Account and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

Management is responsible for the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance of the LLP in accordance with the Indian Accounting Standards as applicable to the LLP and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the LLP's preparation and fair presentation of the Ind AS Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

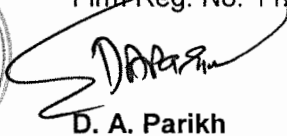
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the LLP as at 31st March, 2018;
- in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Place: Ahmedabad
Date : 04-May-2018



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


D. A. Parikh
Partner
Membership No. 045501

MAHAGUJ POWER LLP

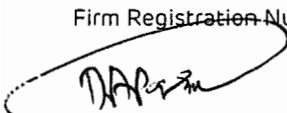
(Formerly known as Mahaguj Power Limited)

Statement of Assets and Liabilities as at 31 March 2018

| | | (Amt in Rupees) |
|--|---|--------------------|
| | | As at |
| | | 31-Mar-2018 |
| CONTRIBUTION AND LIABILITIES : | | |
| (I) PARTNERS' FUNDS | | |
| (a) Partners' Funds | 3 | 5,00,000 |
| (b) Reserves and Surplus | 4 | (22,03,714) |
| | | (17,03,714) |
| (II) LIABILITIES | | |
| (a) Unsecured Loans | 5 | 25,04,138 |
| (b) Other Liabilities | 6 | 41,206 |
| | | 25,45,344 |
| Total | | 8,41,630 |
| ASSETS : | | |
| (a) Property, Plant & Equipment | | - |
| (b) Capital Work in Progress | | - |
| (c) Investments | 7 | 2,55,000 |
| (d) Cash and Bank Balances | 8 | 5,86,630 |
| Total | | 8,41,630 |
| Summary of significant accounting policies | 2 | |

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

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


D.A. Parikh
Partner
Membership No. 045501
Place : Ahmedabad
Date : 04-May-2018




Jatinkumar Jalundhwala
Designated Partner
DIN : 00137888
Place : Ahmedabad
Date : 04-May-2018


Bhavik Shah
Designated Partner
DIN : 00005781

MAHAGUJ POWER LLP

(Formerly known as Mahaguj Power Limited)

Statement of Profit and Loss for the period from 19 April 2017 to 31 March 2018

| | | (Amt in Rupees) |
|--|-------|---------------------|
| | | For the period |
| | | from 19-Apr-2017 to |
| | Notes | 31-Mar-2018 |
| a) INCOME : | | |
| Income from Operations | | - |
| Other Income | | - |
| Total Income | | <u>-</u> |
| b) EXPENSES : | | |
| Operating Expenses | | - |
| Employee Benefits Expense | | - |
| Finance Costs | 9 | 2,50,641 |
| Depreciation and Amortisation Expense | | - |
| Other Expenses | 10 | 12,55,200 |
| Total Expenses | | <u>15,05,841</u> |
| c) Profit / (Loss) Before Tax | | (15,05,841) |
| d) Tax Expense | | - |
| e) Profit / (Loss) For The Period | | (15,05,841) |
| (Loss) transferred to Partners' Accounts | | - |
| (Loss) transferred to Reserves and Surplus | | (15,05,841) |
| | | <u>(15,05,841)</u> |
| Summary of significant accounting policies | 2 | |

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


D. A. Parikh
Partner
Membership No. 045501

Place : Ahmedabad
Date : 04-May-2018



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


Jatinkumar Jalundhwala
Designated Partner
DIN : 00137888

Place : Ahmedabad
Date : 04-May-2018


Bhavik Shah
Designated Partner
DIN : 00005781

MAHAGUJ POWER LLP

(Formerly known as Mahaguj Power Limited)

Cash Flow Statement for the period from 19 April 2017 to 31 March 2018

(Amt in Rupees)
For the period
from 19-Apr-2017 to
31-Mar-2018

I. CASH FLOW FROM OPERATING ACTIVITIES

| | |
|--|-----------------|
| Profit / (Loss) Before Tax | (15,05,841) |
| Adjustment on account of : | |
| Interest Expense | 2,50,641 |
| Interest Income | - |
| Project Written Off | 12,20,326 |
| Operating Profit / (Loss) Before Working Capital Changes | (34,874) |
| Movements in Working Capital : | |
| Increase / (Decrease) in Other Liabilities | (8,664) |
| Cash Flow from Operations | (43,538) |
| Less : Direct Taxes Paid | - |
| Net Cash Flow From Operating Activities | (43,538) |

II. CASH FLOW FROM INVESTING ACTIVITIES

| | |
|--|----------|
| Purchase of Investment | - |
| Net Cash Flow From Investing Activities | - |

III. CASH FLOW FROM FINANCING ACTIVITIES

| | |
|---|-----------------|
| Proceeds from Borrowings (net) | 2,25,576 |
| Interest Paid | (2,50,641) |
| Net Cash Flow From Financing Activities | (25,065) |
| Net Increase / (Decrease) in Cash & Cash Equivalents | (68,603) |
| Cash & Cash Equivalents on Conversion Date 19-Apr-2017 | 6,55,233 |
| Cash & Cash Equivalents at the end of the period | 5,86,630 |

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

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

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

D. A. Parikh
Partner
Membership No. 045501

Place : Ahmedabad
Date : 04-May-2018



Jatinkumar Jalundhwala
Designated Partner
DIN : 00137888

Place : Ahmedabad
Date : 04-May-2018

Bhavik Shah
Designated Partner
DIN : 00005781

Bhavik Shah

MAHAGUJ POWER LLP

(Formerly known as Mahaguj Power Limited)

Notes to Financial Statements for the period ended 31 March 2018

1 Corporate Information

Mahaguj Power LLP was incorporated on April 19, 2017 vide LLP Identification No. AAJ-1976 by conversion of the company Mahaguj Power Limited under Section 56 read with the Third Schedule of LLP Act, 2008. Limited Liability Partnership Agreement was executed on April 7, 2017.

The LLP plans to set up a Thermal Power Plant in the state of Orrisa. The LLP is awaiting regulatory and other administrative approvals to commence development works at site. Considering the facts, the accounts are prepared under going concern basis.

2 Summary of Significant Accounting Policies

a) Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS). 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 except when otherwise stated.

b) Use of Significant Judgements, Estimates and Assumptions

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

Estimates and assumptions are required in particular for:

i) Recognition of deferred tax assets:

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

ii) Recognition and measurement of other provisions:

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

c) Cash and Cash Equivalents (for purposes of Cash Flow Statement)

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



MAHAGUJ POWER LLP

(Formerly known as Mahaguj Power Limited)

Notes to Financial Statements for the period ended 31 March 2018

d) Cash Flow Statement

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

e) Financial Instruments

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

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

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

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

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

Derecognition of Financial Assets

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

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

Impairment of Financial Assets

The Company applies simplified approach model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.



MAHAGUJ POWER LLP

(Formerly known as Mahaguj Power Limited)

Notes to Financial Statements for the period ended 31 March 2018

Derecognition of Financial Liability

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

f) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

g) Related Party Transactions

Disclosure of transactions with related Parties, as required by Accounting Standard 18 "Related Party disclosures" has been set out in separate note. Related parties as defined under clause 3 of the Accounting standard 18 have been identified on the basis of representation made by Key management personnel and information available with the LLP.

h) Taxes on Income

Tax expense comprises of current income tax and deferred tax.

i) Current Taxation

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

ii) Deferred Taxation

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

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

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

i) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised in the financial statements. The nature of such assets and an estimate of its financial effect are disclosed in notes to the financial statements.



MAHAGUJ POWER LLP

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Notes to Financial Statements for the period ended 31 March 2018

NOTE : 3

PARTNERS' FUNDS

| Sr No | Name of the Partner | % Holding | Name of Designated Partner | On Conversion (19-Apr-2017) | Addition During the Period | Withdrawal During the Period | Profit / (Loss) Distribution During the Period | (Amt in Rupees) | |
|-------|--------------------------------------|-----------|----------------------------|-----------------------------|----------------------------|------------------------------|--|-----------------------------------|--|
| | | | | | | | | Closing Balance as at 31-Mar-2018 | |
| 1 | Adani Enterprises Limited | 99.90% | Mr. Jatinkumar Jalundhwala | 4,99,500 | - | - | - | 4,99,500 | |
| 2 | Adani Infrastructure Private Limited | 0.10% | Mr. Bhavik Shah | 500 | - | - | - | 500 | |
| TOTAL | | | | 5,00,000 | - | - | - | 5,00,000 | |



MAHAGUJ POWER LLP

(Formerly known as Mahaguj Power Limited)

Notes to Financial Statements for the period ended 31 March 2018

4 Reserves & Surplus

| | Amt in Rupees As at 31-Mar-2018 |
|---|---------------------------------------|
| Balance as on Conversion Date (19-Apr-2017) | (6,97,873) |
| Add : Loss for the period | (15,05,841) |
| | (22,03,714) |

5 Unsecured Loans

| | Amt in Rupees As at 31-Mar-2018 |
|------------------------------|---------------------------------------|
| Unsecured Loan from Partners | 25,04,138 |
| | 25,04,138 |

Note :

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

6 Other Liabilities

| | Amt in Rupees As at 31-Mar-2018 |
|--------------------------------------|---------------------------------------|
| Financial Liabilities | |
| Sundry Creditors | 17,326 |
| Provision For Expense | 17,700 |
| Non- Financial Liabilities | |
| Statutory Dues Payable (TDS payable) | 6,180 |
| | 41,206 |

7 Investment (Trade Investments, valued at cost)

| | Amt in Rupees As at 31-Mar-2018 |
|---|---------------------------------------|
| Investment in Equity Shares of Subsidiary Company (unquoted, fully paid-up) 25,500 shares of Rs. 10 each of Adani Gas Holdings Ltd | 2,55,000 |
| | 2,55,000 |

8 Cash & Cash Equivalents

| | Amt in Rupees As at 31-Mar-2018 |
|---|---------------------------------------|
| Balances with banks - In Current Account | 5,86,630 |
| | 5,86,630 |



MAHAGUJ POWER LLP

(Formerly known as Mahaguj Power Limited)

Notes to Financial Statements for the period ended 31 March 2018

9 Finance Cost

Amt in Rupees
For the period
from 19-Apr-2017 to
31-Mar-2018

Interest on Borrowings

2,50,641

2,50,641

10 Other Expense

Amt in Rupees
For the period
from 19-Apr-2017 to
31-Mar-2018

Legal and Professional Fees

14,224

Project Written Off

12,20,326

Payment to Auditors

- Statutory Audit Fees

17,700

- Other Services

2,950

12,55,200

11 Contingent Liabilities & Commitments

Amt in Rupees
As at
31-Mar-2018

Contingent Liabilities, to the extent not provided for
Commitments

-

Estimated amount of contracts remaining to be executed
on capital accounts (net of advances)

-

-

12 Related Parties

Controlling Entity : Adani Enterprises Limited - Partner
: Adani Infrastructure Private Limited - Partner
Subsidiary Company : Adani Gas Holdings Limited
Fellow Subsidiary : Nil
(with transactions during the year)
Associates : Nil
Key Management Personnel : Mr. Jatinkumar Jalundhwala - Designated Partner
Mr. Bhavik Shah - Designated Partner

| Information in respect of Related Parties | | Amt in Rupees 31-Mar-2018 |
|--|-----------------------------|------------------------------|
| <u>Interest Expense</u> | | |
| Controlling Entity | : Adani Enterprises Limited | 2,50,641 |
| <u>Unsecured Loan Balance</u> | | |
| Controlling Entity | : Adani Enterprises Limited | 25,04,138 |



MAHAGUJ POWER LLP

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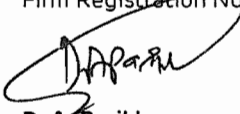
Notes to Financial Statements for the period ended 31 March 2018

13 Other Disclosures

- (a) The financial statements were approved for issue by the partners on 4th May, 2018.
- (b) Since the LLP was incorporated by conversion of the company Mahaguj Power Ltd, opening balances have been taken from the erstwhile company. These being the first financial statements of the LLP after incorporation, the same are drawn for the period from 19th April 2017 to 31st March 2018 and hence, there are no comparatives to present.

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

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


D. A. Parikh
Partner
Membership No. 045501



Place : Ahmedabad
Date : 04-May-2018


Jatinkumar Jalundhwala
Designated Partner
DIN : 00137888

Place : Ahmedabad
Date : 04-May-2018


Bhavik Shah
Designated Partner
DIN : 05304897