

# **DHARMESH PARIKH & CO.**

## **CHARTERED ACCOUNTANTS**

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

### **Independent Auditor's Report**

#### **To the Members of Gare Pelma III Collieries Limited**

##### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS Financial Statements of Gare Pelma III Collieries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the period 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.

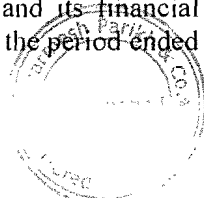
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material 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 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 31<sup>st</sup> March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.



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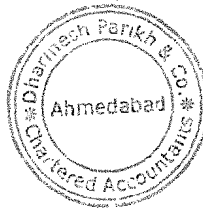
### **Independent Auditor's Report**

### **To the Members of Gare Pelma III Collieries Limited (Continue)**

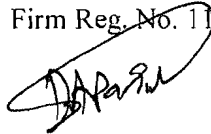
#### **Report on Other Legal and Regulatory Requirements**

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 of 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) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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 B';
  - 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.

Place : Ahmedabad  
Date : 01-May-2018



For **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 1102054W

  
**D. A. Parikh**  
Partner  
Membership No. 045501

# DHARMESH PARIKH & CO.

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### Annexure - A to the Independent Auditor's Report

#### RE: Gare Pelma III Collieries Limited

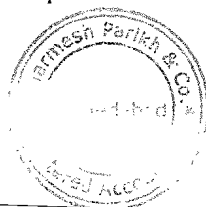
(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the period ended 31<sup>st</sup> March, 2018, 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 company does not hold any immovable property except temporary structures. Accordingly the provisions of paragraph 3 (i)(c) of the Order are not applicable.
- (ii) The Company is under development/ construction stage as on 31<sup>st</sup> March, 2018 and hence it does not carry any Inventory. Accordingly the provisions of paragraph 3 (ii) (a) & (b) of the Order are not applicable.
- (iii) According to the information and explanations 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 is under development/ construction stage during the period 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, goods and service tax and other material statutory dues have generally been deposited regularly during the period by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, sales tax, service tax, duty of customs, value added tax, cess, provident fund and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of above referred statutory dues were in arrears as at 31<sup>st</sup> March 2018 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 and has not issued any debentures. Accordingly the provisions of paragraph 3 (viii) of the Order are not applicable.



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### **Annexure - A to the Independent Auditor's Report**

**RE: Gare Pelma III Collieries Limited (Continue)**

(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 period under review.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in 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 period 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 : 01-May-2018



For **DHARMESH PARIKH & CO.**

Chartered Accountants

Firm Reg. No. 102054W

**D. A. Parikh**

Partner

Membership No. 045501

# **DHARMESH PARIKH & CO.**

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### **Annexure – B to the Independent Auditor's Report**

**RE: Gare Pelma III Collieries Limited**

(Referred to in Paragraph 2(f) 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 31<sup>st</sup> March, 2018 in conjunction with our audit of the Ind AS Financial Statements of the company for the period 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.

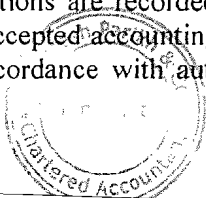
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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

**RE: Gare Pelma III Collieries Limited (Continue)**

(Referred to in Paragraph 2(f) 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, though the company has not done any significant transactions during the period, it 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 31<sup>st</sup> March, 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.

Place : Ahmedabad  
Date : 01-May-2018



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

  
**D. A. Parikh**  
Partner  
Membership No. 045501

# GARE PELMA III COLLIERIES LIMITED

Balance Sheet as at 31 March 2018

(Amt in Rupees)

As at

31-Mar-2018

Notes

## ASSETS

### (I) Non-Current Assets

(a) Property, Plant and Equipment	3	61,30,197
(b) Capital Work-In-Progress	4	1,16,54,626
(c) Other Intangible Assets		-
(d) Financial Assets		-
(e) Deferred Tax Asset		-
(f) Income Tax Assets (net)		5,16,146
(g) Other Non-Current Assets		-

**1,83,00,969**

### (II) Current Assets

(a) Inventories		-
(b) Financial Assets		
(i) Cash & Cash Equivalents	5	30,66,179
(ii) Other Financial Assets	6	24,94,65,092
(c) Other Current Assets	7	17,93,082

**25,43,24,353**

**Total**

**27,26,25,322**

## EQUITY AND LIABILITIES

### EQUITY

(a) Equity Share Capital	8	10,00,000
(b) Other Equity		(69,903)

**9,30,097**

### LIABILITIES

#### (I) Non-Current Liabilities

(a) Financial Liabilities		-
(b) Provisions		-
(c) Other Non-Current Liabilities		-

#### (II) Current Liabilities

(a) Financial Liabilities		
(i) Borrowings	9	26,70,98,006
(b) Provisions		-
(c) Other Current Liabilities	10	45,97,219

**27,16,95,225**

**Total**

**27,26,25,322**

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 : 01-May-2018



For and on behalf of the board of directors of  
**Gare Pelma III Collieries Limited**

**Rajendra Ingale**  
Director  
DIN : 05304897

Place : Ahmedabad  
Date : 01-May-2018

**Rajesh Kumar Agrawal**  
Director  
DIN : 07482925

# GARE PELMA III COLLIERIES LIMITED

Statement of Profit and Loss for the period ended on 31 March 2018

(Amt in Rupees)

	Notes	For the period from 18-Jul-2017 to 31-Mar-2018
<b>a) Revenue</b>		
Revenue from Operations		-
Other Income		-
<b>Total Revenue</b>		-
<b>b) Expenses</b>		
Operating Expenses		-
Employee Benefits Expense		-
Finance Costs		-
Depreciation and Amortisation Expense		-
Other Expenses	11	69,903
<b>Total Expenses</b>		<b>69,903</b>
<b>c) Profit / (Loss) Before Tax</b>		<b>(69,903)</b>
<b>d) Tax Expense</b>		-
<b>e) Profit / (Loss) For The Year</b>		<b>(69,903)</b>
<b>f) Other Comprehensive Income</b>		
- Item that will be reclassified to Profit & Loss		-
- Item that will not be reclassified to Profit & Loss		-
<b>Total Other Comprehensive Income</b>		-
<b>g) Total Comprehensive Income for the Year</b>		<b>(69,903)</b>
<b>h) Earning per Equity Share (Face value of Rs.10 each)</b>	18	
Basic		(0.07)
Diluted		(0.07)
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 : 01-May-2018



For and on behalf of the board of directors of  
**Gare Pelma III Collieries Limited**

  
**Rajendra Ingale**  
Director  
DIN : 05304897

Place : Ahmedabad  
Date : 01-May-2018

  
**Rajesh Kumar Agrawal**  
Director  
DIN : 07482925

# GARE PELMA III COLLIERIES LIMITED

Cash Flow Statement for the period ended on 31 March 2018

(Amt in Rupees)

For the period  
from 18-Jul-2017  
to 31-Mar-2018

## I. CASH FLOW FROM OPERATING ACTIVITIES

Profit / (Loss) Before Tax	(69,903)
<b>Adjustment on account of :</b>	
Interest Expense	-
Interest Income	-
Operating Profit / (Loss) Before Working Capital Changes	(69,903)
<b>Movements in Working Capital :</b>	
Increase in Other Current Assets	(17,93,082)
Increase in Other Current Liabilities	45,97,219
<b>Cash Flow from Operations</b>	<b>27,34,234</b>
Less : Direct Taxes Paid	5,16,146
<b>Net Cash Flow From Operating Activities</b>	<b>22,18,088</b>

## II. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets (including Capital Work-In-Progress)	(1,31,70,722)
Investment in Bank Deposits (net)	(24,89,50,000)
Interest Income received	46,46,369
<b>Net Cash Flow From Investing Activities</b>	<b>(25,74,74,353)</b>

## III. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Issue of Share Capital	10,00,000
Proceeds from Borrowings	51,67,98,006
Repayment of Borrowings	(24,97,00,000)
Interest paid	(97,75,562)
<b>Net Cash Flow From Financing Activities</b>	<b>25,83,22,444</b>

<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>30,66,179</b>
Cash & Cash Equivalents at the beginning of the period	-
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>30,66,179</b>

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 : 01-May-2018



For and on behalf of the board of directors of  
**Gare Pelma III Collieries Limited**

  
**Rajendra Ingale**  
Director  
DIN : 05304897

Place : Ahmedabad  
Date : 01-May-2018

  
**Rajesh Kumar Agrawal**  
Director  
DIN : 07482925

# GARE PELMA III COLLIERIES LIMITED

Statement of Changes in Equity for the period ended on 31 March 2018

## A. Equity Share Capital

Particulars	Numbers	Amt in Rupees
Issued during the period	1,00,000	10,00,000
As at 31 <sup>st</sup> March 2018	1,00,000	10,00,000

## B. Other Equity

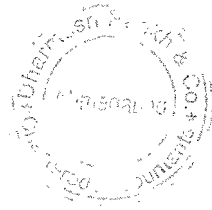
Particulars	(Amt in Rupees)
	Retained Earnings
Total Comprehensive Income for the period	(69,903)
As at 31 <sup>st</sup> March 2018	(69,903)

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 : 01-May-2018



For and on behalf of the board of directors of  
**Gare Pelma III Collieries Limited**



**Rajendra Ingale**  
Director  
DIN : 05304897

Place : Ahmedabad  
Date : 01-May-2018



**Rajesh Kumar Agrawal**  
Director  
DIN : 07482925

# GARE PELMA III COLLIERIES LIMITED

Notes to Financial Statements for the period ended 31 March 2018

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## 1 Corporate Information

Gare Pelma III Collieries Limited is a public limited company domiciled in India with its registered office located at Adani House, Plot No. 83, Sector 32, Institutional Area, Gurgaon, Haryana. The Company has been incorporated on 18-Jul-2017 to carry out mining operation at Gare Pelma III coal block.

## 2 Summary of Significant Accounting Policies

### a) Basis of preparation and presentation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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

The financial statements are presented in INR except when otherwise stated.

### b) Use of Estimates

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

**Estimates and assumptions are required in particular for:**

#### i) Useful life of tangible assets:

Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

#### ii) 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.

#### iii) 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) Current & Non-Current Classification

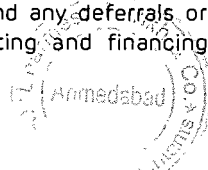
All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

### d) 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.

### e) 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.



# GARE PELMA III COLLIERIES LIMITED

Notes to Financial Statements for the period ended 31 March 2018

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## f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## g) Property, Plant & Equipments

Property, Plant and Equipments, including Capital Work in Progress, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of tax credits, wherever applicable), import duty and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

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

Expenditure incurred relating to project under commissioning for commercial operation of services are classified as Project Development Expenditure and disclosed under Capital Work in Progress. The same are allocated to the respective Property, Plant & Equipments on completion of construction / erection of capital assets.

## h) 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 (ECL) at each reporting date, right from its initial recognition.

### Derecognition of Financial Liability

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

Handwritten signature and stamp of a company official.

# GARE PELMA III COLLIERIES LIMITED

## Notes to Financial Statements for the period ended 31 March 2018

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### i) 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.

### j) Segment Accounting

In accordance with Companies (Indian Accounting Standard) Rules, 2015 (as amended), the company has determined its business segment as Mining Services. Since, there are no other business segments in which the company operates, there are no other primary reportable segments. Further since the company's services are limited to the operation of allocated mine, it operates in a single geographical segment. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as reflected in the financial statements.

### k) Related Party Transactions

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

### l) Earnings Per Share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

### m) 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.

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

### n) Impairment of Non-Financial Asset

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the use which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the Statement of Profit and Loss.

### o) 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.

# GARE PELMA III COLLIERIES LIMITED

Notes to Financial Statements for the period ended 31 March 2018

## 3 Property, Plant & Equipments

(Amt in Rupees)

Particulars	Property, Plant & Equipments					Grand Total
	Buildings	Electrical Installation	Computer Hardware	Furniture	Office Equipment	
<b>A. Year Ended 31-March-2018</b>						
Gross Carrying Value						
Addition during the period	50,51,121	1,02,834	14,25,156	3,15,060	57,024	69,51,195
Deduction during the period	-	-	-	-	-	-
<b>Closing Gross Carrying Value as at 31-Mar-18</b>	<b>50,51,121</b>	<b>1,02,834</b>	<b>14,25,156</b>	<b>3,15,060</b>	<b>57,024</b>	<b>69,51,195</b>
Accumulated Depreciation						
Depreciation during the period	7,22,163	3,431	87,959	7,320	125	8,20,998
Disposals during the period	-	-	-	-	-	-
<b>Closing Accumulated Depreciation as at 31-Mar-18</b>	<b>7,22,163</b>	<b>3,431</b>	<b>87,959</b>	<b>7,320</b>	<b>125</b>	<b>8,20,998</b>
<b>Net Carrying Amount as at 31-Mar-18</b>	<b>43,28,958</b>	<b>99,403</b>	<b>13,37,197</b>	<b>3,07,740</b>	<b>56,899</b>	<b>61,30,197</b>

## 4 Capital Work-In-Progress

Amt in Rupees

As at

31-Mar-2018

### Project Development Expenditure

Project Expenses	21,06,253
Manpower Cost	12,91,497
Travelling & Conveyance	18,45,424
Office & Administrative Expenses	3,22,434
Finance Cost	1,04,29,482
Depreciation	8,20,997
Interest Income	(51,61,461)

**1,16,54,626**

## 5 Cash & Cash Equivalents

Amt in Rupees

As at

31-Mar-2018

Balances with Banks	
- In Current Accounts	30,66,179
	<b>30,66,179</b>

## 6 Other Current Financial Assets

Amt in Rupees

As at

31-Mar-2018

Margin Deposit against Bank Guarantee	24,40,00,000
Other Bank Deposits	49,50,000
Interest accrued	5,15,092
	<b>24,94,65,092</b>

## 7 Other Current Assets

Amt in Rupees

As at

31-Mar-2018

Balances with Government Authorities (GST Receivable)	17,93,082
	<b>17,93,082</b>

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# GARE PELMA III COLLIERIES LIMITED

Notes to Financial Statements for the period ended 31 March 2018

## 8 Share Capital

	As at 31-Mar-2018	
	Numbers	Amt in Rs.
<b>Authorised shares</b>		
Equity Shares of Rs. 10/- each	1,00,000	10,00,000
<b>Issued, subscribed fully paid-up shares</b>		
Equity shares of Rs. 10/- each fully paid up	1,00,000	10,00,000
	<b>1,00,000</b>	<b>10,00,000</b>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31-Mar-2018	
	Numbers	Amt in Rs.
<b>Equity shares</b>		
At the beginning of the period	-	-
Issued during the period	1,00,000	10,00,000
Outstanding at the end of the period	<b>1,00,000</b>	<b>10,00,000</b>

### b. Terms/ rights attached to equity shares

Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company, after distribution of all preferential amounts.

### c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

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

	As at 31-Mar-2018	
	Numbers	Amt in Rs.
<b>Equity Shares</b>		
Adani Enterprises Limited	1,00,000	10,00,000
(Holding Company with its nominees)	<b>1,00,000</b>	<b>10,00,000</b>

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

	As at 31-Mar-2018	
	Numbers	% holding
<b>Equity Shares</b>		
Adani Enterprises Limited	1,00,000	100%
(Holding Company with its nominees)	<b>1,00,000</b>	<b>100%</b>



# GARE PELMA III COLLIERIES LIMITED

Notes to Financial Statements for the period ended 31 March 2018

## 9 Short Term Borrowings

**Amt in Rupees**  
**As at**  
**31-Mar-2018**

Unsecured Loan from Holding Company	26,70,98,006
	<b>26,70,98,006</b>

### Notes :

Unsecured Corporate Loan is received from the holding company and it carries an interest rate of 12% p.a..

## 10 Other Current Liabilities

**Amt in Rupees**  
**As at**  
**31-Mar-2018**

Capital Creditors	37,25,339
Statutory Dues Payable (TDS payable)	8,71,880
	<b>45,97,219</b>

## 11 Other Expenses

**Amt in Rupees**  
**For the period**  
**from 18-Jul-2017**  
**to 31-Mar-2018**

Legal & Professional Fees	6,400
Statutory Audit Fees	15,000
Bank Charges	2,168
Preliminary Expenses	46,335
	<b>69,903</b>

## 12 Income Tax Expense

### a. Calculation of Deferred Tax Liability / Asset (net)

**Amt in Rupees**  
**As at**  
**31-Mar-2018**

#### Deferred Tax Liabilities

Depreciation

-

#### Deferred Tax Assets

Carried Forward Losses & Allowances

18,175

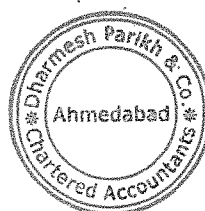
**18,175**

### b. Reconciliation of Income Tax Expense and the Accounting Profit multiplied by India's tax rate :

This note presents the reconciliation of Income Tax charged as per the Tax Rate specified in Income Tax Act, 1961 & the actual provision made in the Financial Statements as at 31st March 2017 with breakup of differences in Profit as per the Financial Statements & as per Income Tax Act, 1961.

**Amt in Rupees**  
**31-Mar-2018**

Profit / (Loss) Before Tax	(69,903)
Tax Rate for Corporate Entity as per Income Tax Act, 1961	25.75%
<b>Tax Expense as per Income Tax Act, 1961.</b>	<b>(18,000)</b>
Tax on Current year losses for which no deferred tax asset is recognised	18,000
<b>Income tax recognised in profit and loss account at effective rate</b>	<b>-</b>



# GARE PELMA III COLLIERIES LIMITED

Notes to Financial Statements for the period ended 31 March 2018

## 13 Fair Value Measurement and Hierarchy

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

## 14 Financial Instruments and Risk Review

The Company's principal financial liabilities comprise borrowings, 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 and deposits. In the ordinary course of business, the Company is mainly exposed to risks resulting from interest risk, credit risk and liquidity risk.

### Interest risk

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for interest rate risk.

The risks arising from interest rate movements arise from borrowings with variable interest rates. For sensitivity analysis, the amount of the liability outstanding at the end of the year is assumed to be outstanding for the whole year. A 50 basis point increase or decrease is used for analysis, which represents management's assessment of the reasonably possible change in interest rate. In case of fluctuation in interest rates by 50 basis points and all other variables were held constant, the Company's interest cost would increase or decrease by Rs.13,35,490/-.

### 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.

## 15 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)

-

-

## 16 Disclosures under MSMED Act

There are no Micro, Small and Medium Enterprises, as defined in the 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 disclosures have been made. The above information regarding Micro, Small and Medium Enterprises 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 Related Parties

Holding Company	:	Adani Enterprises Limited
Subsidiary Company & Associates	:	Nil
Fellow Subsidiary Company	:	Nil
(with transactions during the year)		
Key Management Personnel	:	Mr Rajendra Murlidhar Ingale Mr Rajesh Kumar Agrawal Mr Jiwan Kumar Mukharjee

# GARE PELMA III COLLIERIES LIMITED

Notes to Financial Statements for the period ended 31 March 2018

Information in respect of Related Parties	Amt in Rupees 31-Mar-2018
<u>Borrowing Received</u> Holding Company : Adani Enterprises Limited	51,67,98,006
<u>Borrowing Repaid</u> Holding Company : Adani Enterprises Limited	24,97,00,000
<u>Interest Expense</u> Holding Company : Adani Enterprises Limited	97,75,562
<u>Share Capital Received</u> Holding Company : Adani Enterprises Limited	10,00,000
<u>Unsecured Loan Balance, at period end</u> Holding Company : Adani Enterprises Limited	26,70,98,006

## 18 Earning Per Share (EPS)

	Amt in Rupees For the period from 18-Jul-2017 to 31-Mar-2018
Profit / (Loss) for calculation of basic and diluted EPS	(69,903)
Weighted average number of equity shares for calculating Basic EPS	10,00,000
Weighted average number of equity shares for calculating Diluted EPS	10,00,000
Face value of equity shares	10
Basic Earning Per Share (in Rupees)	(0.07)
Diluted Earning Per Share (in Rupees)	(0.07)

## 19 Other Disclosures


- (a) These, being the first financial statements of the Company since incorporation, are drawn for the period from 18th July 2017 to 31st March 2018 and hence, there are no comparatives to present.
- (b) The financial statements were approved for issue by the board of directors on 1st May, 2018.

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 : 01-May-2018

For and on behalf of the board of directors of  
**Gare Pelma III Collieries Limited**

  
**Rajendra Ingale**  
Director  
DIN : 05304897

Place : Ahmedabad  
Date : 01-May-2018

  
**Rajesh Kumar Agrawal**  
Director  
DIN : 07482925