

# **DHARMESH PARIKH & CO.**

## **CHARTERED ACCOUNTANTS**

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

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

#### **To the Members of Adani Resources Private Limited**

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

We have audited the accompanying Ind AS Financial Statements of Adani Resources Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



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### Independent Auditor's Report To the Members of Adani Resources Private Limited (Continue)

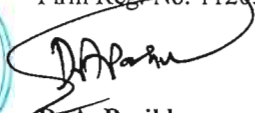
#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial 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.
    - iv. The company did not hold or transact in cash during the entire year. Accordingly requisite disclosure as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 in its Ind AS Financial Statements is not done.

Place : Ahmedabad  
Date : 21<sup>st</sup> May, 2017



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

  
D. A. Parikh  
Partner  
Membership No. 045501

# DHARMESH PARIKH & CO.

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

#### RE: Adani Resources Private Limited

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

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2017, we report that:

- (i) The company does not have any Fixed Assets. Accordingly, the provisions of paragraph 3 (i) (a) to (c) of the Order are not applicable.
- (ii) The Company being in the service industry is primarily rendering man power supply services and hence it does not carry any Inventory. Accordingly the provisions of paragraph 3 (ii) of the Order is not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information and explanations given to us and representations made by the Management, 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 provident fund, income tax, sales tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities generally. As explained to us, the Company did not have any dues on account of employees' state insurance, value added tax, customs duty and duty of excise.  

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred to above, were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loan either from banks, financial institutions or from the government and has not issued any debentures. Accordingly the provisions of paragraph 3 (viii) of the Order are not applicable.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, 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.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.



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### Annexure to the Independent Auditor's Report (Continue)

#### RE: Adani Resources Private Limited

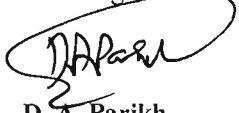
(Referred to in Paragraph 1 of our Report of even date)

- (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 and has not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place : Ahmedabad  
Date : 21<sup>st</sup> May, 2017



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

  
D. A. Parikh  
Partner  
Membership No. 045501



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

**RE: Adani Resources Private 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, 2017 in conjunction with our audit of the Ind AS Financial Statements of the company for the year ended on that date.

#### **Management's Responsibilities for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



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

**RE: Adani Resources Private Limited**

(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, 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 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad  
Date : 21<sup>st</sup> May, 2017



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

A handwritten signature in black ink, appearing to read "B. A. Parikh".

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

# ADANI RESOURCES PRIVATE LIMITED

Balance Sheet as at 31 March 2017

(Amt in Rupees)

	Notes	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
<b>ASSETS</b>				
<b>(I) Non-Current Assets</b>				
(a) Property, Plant and Equipment		-	-	-
(b) Capital Work-In-Progress		-	-	-
(c) Other Intangible Assets		-	-	-
(d) Financial Assets				
(i) Other Non-current Financial Assets	24 (ix)	9,047,625	6,365,491	2,225,505
(e) Deferred Tax Asset	19	21,750	131,618	322,465
(f) Income Tax Assets (net)		1,170,090	1,652,339	1,047,061
(g) Other Non-current Assets		-	-	-
		<b>10,239,465</b>	<b>8,149,448</b>	<b>3,595,031</b>
<b>(II) Current Assets</b>				
(a) Inventories		-	-	-
(b) Financial Assets				
(i) Trade Receivables	4	8,332,787	16,452	32,235
(ii) Cash & Cash Equivalents	5	1,189,868	451,534	852,469
(iii) Loans	6	358,011	-	-
(iv) Other Financial Assets	7	-	-	1,042,157
(c) Other Current Assets	8	493,794	17,609	26,685
		<b>10,374,460</b>	<b>485,595</b>	<b>1,953,546</b>
<b>Total</b>		<b>20,613,925</b>	<b>8,635,043</b>	<b>5,548,577</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	9	100,000	100,000	100,000
(b) Other Equity		2,449,869	1,076,601	731,242
		<b>2,549,869</b>	<b>1,176,601</b>	<b>831,242</b>
<b>LIABILITIES</b>				
<b>(I) Non-Current Liabilities</b>				
(a) Financial Liabilities		-	-	-
(i) Borrowings	10	-	-	670,201
(b) Provisions	11	8,841,475	5,755,560	2,188,116
(c) Other Non-current Liabilities		-	-	-
		<b>8,841,475</b>	<b>5,755,560</b>	<b>2,858,317</b>
<b>(II) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables	12	7,489,695	216,048	1,199,260
(b) Provisions	13	858,819	609,931	37,389
(c) Other Current Liabilities	14	874,067	876,903	622,369
		<b>9,222,581</b>	<b>1,702,882</b>	<b>1,859,018</b>
<b>Total</b>		<b>20,613,925</b>	<b>8,635,043</b>	<b>5,548,577</b>
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  
Adani Resources Private Limited

D. A. Parikh  
Partner  
Membership No. 045501

Place : Ahmedabad

Date : 21 MAY 2017



Ram Avtar Patodia  
Director  
DIN : 01374937

Place : Ahmedabad

Date : 21 MAY 2017

Rajesh Kumar Agrawal  
Director  
DIN : 07482925

for

# ADANI RESOURCES PRIVATE LIMITED

Statement of Profit and Loss for the year ended on 31 March 2017

		(Amt in Rupees)	
	Notes	For the year ended 31/Mar/2017	For the year ended 31/Mar/2016
<b>a) Revenue</b>			
Revenue from Operations			
Manpower Services		75,334,292	55,703,310
Other Income	15	104,726	30,368
<b>Total Revenue</b>		<b>75,439,018</b>	<b>55,733,678</b>
<b>b) Expenses</b>			
Operating Expenses		-	-
Employee Benefits Expense	16	73,439,367	54,850,377
Finance Costs	17	2,256	89,159
Depreciation and Amortisation Expense		-	-
Other Expenses	18	165,120	129,636
<b>Total Expenses</b>		<b>73,606,743</b>	<b>55,069,172</b>
<b>c) Profit / (Loss) Before Tax</b>		<b>1,832,275</b>	<b>664,506</b>
<b>d) Tax Expense</b>			
Current Tax		349,140	126,634
Deferred Tax		109,868	190,847
Adjustment of Earlier Years		-	1,666
<b>Total Tax Expenses</b>		<b>459,008</b>	<b>319,147</b>
<b>e) Profit / (Loss) For The Year</b>		<b>1,373,267</b>	<b>345,359</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>-</b>	<b>-</b>
<b>g) Total Comprehensive Income for the Year</b>		<b>1,373,267</b>	<b>345,359</b>
<b>h) Earning per Equity Share (Face value of Rs.10 each)</b>	26		
Basic		137.33	34.54
Diluted		137.33	34.54
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 : 21 MAY 2017



For and on behalf of the board of directors of  
**Adani Resources Private Limited**

**Ram Avtar Patodia**  
Director  
DIN : 01374937

Place : Ahmedabad  
Date : 21 MAY 2017

**Rajesh Kumar Agrawal**  
Director  
DIN : 07482925



# ADANI RESOURCES PRIVATE LIMITED

Statement of Changes in Equity for the year ended on 31 March 2017

## A. Equity Share Capital

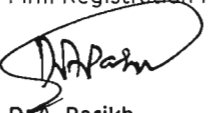
Particulars	Numbers	Amt in Rupees
As at 1 <sup>st</sup> April 2015	10,000	100,000
Changes in the Equity Share Capital	-	-
As at 31 <sup>st</sup> March 2016	10,000	100,000
Changes in the Equity Share Capital	-	-
As at 31 <sup>st</sup> March 2017	10,000	100,000

## B. Other Equity

(Amt in Rupees)

Particulars	Retained Earnings
Balance as at 1 <sup>st</sup> April 2015	731,242
Add : Total Comprehensive Income for the year	345,359
As at 31 <sup>st</sup> March 2016	1,076,601
Add : Total Comprehensive Income for the year	1,373,267
As at 31 <sup>st</sup> March 2017	2,449,869

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 : 21 MAY 2017



For and on behalf of the board of directors of  
Adani Resources Private Limited

  
Ram Avtar Patodia  
Director  
DIN : 01374937

Place : Ahmedabad  
Date : 21 MAY 2017

  
Rajesh Kumar Agrawal  
Director  
DIN : 07482925

**ADANI RESOURCES PRIVATE LIMITED**  
Cash Flow Statement for the year ended on 31 March 2017

	(Amt in Rupees)	
	For the year ended 31/Mar/2017	For the year ended 31/Mar/2016
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	1,832,275	664,506
Adjustment on account of :		
Depreciation and Amortisation Expense	-	-
Interest & Bank Charges	2,256	89,159
Interest Income	(104,726)	(30,368)
Operating Profit / (Loss) Before Working Capital Changes	<b>1,729,805</b>	<b>723,297</b>
Movements in Working Capital :		
Decrease / (Increase) in Trade Receivables	(8,316,335)	15,783
Decrease / (Increase) in Loans & Other Financial Assets	(358,011)	1,042,157
Decrease / (Increase) in Other Non-current Financial Assets	(2,682,134)	(4,139,986)
Increase / (Decrease) in Other Current Assets	(476,185)	9,076
Increase / (Decrease) in Trade Payables	7,273,646	(983,211)
Increase / (Decrease) in Other Current Liabilities	(2,835)	254,534
Increase / (Decrease) in Current and Non-Current Provisions	3,334,804	4,139,986
Cash Flow from Operations	<b>502,755</b>	<b>1,061,636</b>
Less : Direct Taxes Paid	(133,109)	733,578
Net Cash Flow From Operating Activities	<b>635,864</b>	<b>328,058</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	-
Interest Income Received	104,726	30,368
Net Cash Flow From Investing Activities	<b>104,726</b>	<b>30,368</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	-	(670,201)
Interest & Bank Charges paid	(2,256)	(89,159)
Net Cash Flow From Financing Activities	<b>(2,256)</b>	<b>(759,360)</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	<b>738,334</b>	<b>(400,934)</b>
Cash & Cash Equivalents at the beginning of the year	451,534	852,468
Cash & Cash Equivalents at the end of the year	<b>1,189,868</b>	<b>451,534</b>

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

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

Place : **Ahmedabad**  
Date : **21 MAY 2017**



For and on behalf of the board of directors of  
**Adani Resources Private Limited**

**Ram Avtar Patodia**  
Director  
DIN : 01374937

Place : **Ahmedabad**  
Date : **21 MAY 2017**

**Rajesh Kumar Agrawal**  
Director  
DIN : 07482925

**1 Corporate Information**

Adani Resources Private Limited is a private limited company domiciled in India and was incorporated under the Companies Act, 1956. The registered office of the Company is located at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad, Gujarat. The company is in the business of identifying, searching, prospecting the availability of all categories of personnel with regard to their qualifications, experiences, personal skills in the variety of fields and markets of human resources ranging from support level personnel and calibers required and generally sought from the HR market by Corporate(s).

**2 Summary of Significant Accounting Policies****a) Statement of Compliance**

Adani Resources Private Limited ('the Company') has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April 2016, in accordance with the notification issued by the Ministry of Corporate Affairs.

Upto the year ended March 31, 2016, the Company has presented its financial statements in accordance with the requirements of previous GAAP, which includes the Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is 1st April, 2015. All the previous period numbers in the financial statements for 31st March, 2016 have been restated as per notified Ind AS. These are Company's first Ind AS financial statements.

**b) Basis of preparation and presentation of financial statements**

These financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation of shareholders' equity as at 31st March, 2016 and 1st April, 2015 and of the comprehensive net income for the year ended 31st March, 2016 as reported under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS financial statements.

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

**c) Use of Estimates**

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

**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.

**ii) Defined benefit plans (Gratuity benefits):**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and life expectancy.



**d) 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.

**e) 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.

**f) 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.

**g) Revenue Recognition**

- i) Income from services rendered is recognised as per terms of the agreements, as and when work is performed.
- ii) 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.

**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





# ADANI RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

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## **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.

## **i) Employee Benefits**

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

### Short Term Employees Benefits

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

### Defined Contribution Plans

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

### Defined Benefit Plans

The Company operates a defined benefit gratuity plan. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary, using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss in the line item "Employee Benefits Expense":

- > Service cost including current service cost, past service cost, gains and losses on curtailments and non-routine settlements; and
- > Net interest expense or income

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

### Long Term Employee Benefits

Other long term employee benefits comprise of compensated absences/leaves. The Company allocates accumulated leaves between short term and long term liability based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

## **j) 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.

## **k) 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.



**l) 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.

**m) 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.

**n) Taxes on Income**

Tax expense comprises of current income tax and deferred tax.

**i) Current Taxation**

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 where the Company operates and generates taxable income.

Current tax items, relating to items recognised outside the statement of profit and loss, are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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. Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961.

Current tax assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**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.

**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.



**3 First-time adoption of Ind-AS**

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

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

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

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

**i) Estimates**

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

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

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

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

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

**iii) Impairment of financial assets**

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

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

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

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

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

**Reconciliation of Equity as at 1st April 2015 and 31st March 2016:**

Particulars	(Amt in Rs.)	
	As At	
	31/Mar/2016	1/Apr/2015
Equity Share Capital as per previous GAAP	100,000	100,000
Other Equity as per previous GAAP	1,076,601	731,242
Adjustments	-	-
<b>Total Adjustment to the Equity</b>	-	-
<b>Equity as reported under IND AS</b>	<b>1,076,601</b>	<b>731,242</b>

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

Particulars	(Amt in Rs.)	
	For the year ended	
	31/Mar/2016	
<b>Previous GAAP</b>	<b>345,359</b>	
Ind AS: Adjustments increase (decrease):	-	
<b>Total adjustment to profit or loss</b>	<b>-</b>	
Profit or loss under Ind AS	345,359	
Other comprehensive income	-	
<b>Total comprehensive income under Ind AS</b>	<b>345,359</b>	

**Effects of Ind AS adoption on the Financial Statements of Comparative Periods:**

As there is no reconciliation item between financial statements prepared under Indian GAAP and those prepared under Ind AS, reconciliation of Balance Sheet, Statement of Profit & Loss and Cash Flows is not presented.

# ADANI RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

## 4 Trade Receivables

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Unsecured, Considered good	8,332,787	16,452	32,235
	<b>8,332,787</b>	<b>16,452</b>	<b>32,235</b>

## 5 Cash & Cash Equivalents

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
i) Balances with banks			
- In Current Account	384,320	451,534	852,469
- In Fixed Deposit Account (less than three months)	805,548	-	-
	<b>1,189,868</b>	<b>451,534</b>	<b>852,469</b>

### Notes :

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

## 6 Current Loans

(Unsecured, Considered good)

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Loans to employees	358,011	-	-
	<b>358,011</b>	<b>-</b>	<b>-</b>

## 7 Other Current Financial Assets

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Unbilled Receivable	-	-	1,042,157
	<b>-</b>	<b>-</b>	<b>1,042,157</b>

## 8 Other Current Assets

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Advance against expenses	-	-	6,000
Balances with Government Authorities (CENVAT Receivable)	29,662	3,423	-
Prepaid Expenses	464,132	14,186	20,685
	<b>493,794</b>	<b>17,609</b>	<b>26,685</b>





# ADANI RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

## 9 Share Capital

	As at 31/Mar/2017		As at 31/Mar/2016	
	Numbers	Amt in Rs.	Numbers	Amt in Rs.
<b>Authorised shares</b>				
Equity Shares of Rs. 10/- each	10,000	100,000	10,000	100,000
<b>Issued, subscribed fully paid-up shares</b>				
Equity shares of Rs. 10/- each fully paid up	10,000	100,000	10,000	100,000
	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

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

	As at 31/Mar/2017		As at 31/Mar/2016	
	Numbers	Amt in Rs.	Numbers	Amt in Rs.
<b>Equity shares</b>				
At the beginning of the period	10,000	100,000	10,000	100,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</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. 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/2017		As at 31/Mar/2016	
	Numbers	Amt in Rs.	Numbers	Amt in Rs.
<b>Equity Shares</b>				
Adani Enterprises Limited	10,000	100,000	10,000	100,000
(Holding Company with its nominees)	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

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

	As at 31/Mar/2017		As at 31/Mar/2016	
	Numbers	% holding	Numbers	% holding
<b>Equity Shares</b>				
Adani Enterprises Limited	10,000	100%	10,000	100%
(Holding Company with its nominees)	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>



# ADANI RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

## 10 Long Term Borrowings

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Unsecured Loan from Holding Company	-	-	670,201
	-	-	670,201

## 11 Long Term Provisions

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Provision for Gratuity	7,028,968	4,460,717	1,279,957
Provision for Leave Encashment	1,812,507	1,294,843	908,159
	8,841,475	5,755,560	2,188,116

### Note :

Current and non-current classification is done based on actuarial valuation certificate.

## 12 Trade Payables

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Trade payables			
- Micro, small and medium enterprise (Refer Note 23)	-	-	-
- Others	7,489,695	216,048	1,199,260
	7,489,695	216,048	1,199,260

## 13 Short Term Provisions

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Provision for Gratuity	56,656	6,081	4,736
Provision for Leave Encashment	802,163	603,850	32,653
	858,819	609,931	37,389

## 14 Other Current Liabilities

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Statutory Dues Payable (includes Service Tax, TDS and PF)	874,067	876,903	622,369
	874,067	876,903	622,369



# ADANI RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

## 15 Other Income

	Amt in Rs.	
	For the year ended 31/Mar/2017	For the year ended 31/Mar/2016
Interest Income		
Bank Deposits	18,433	-
on IT Refund	86,293	30,368
	<b>104,726</b>	<b>30,368</b>

## 16 Employee Benefits Expense

	Amt in Rs.	
	For the year ended 31/Mar/2017	For the year ended 31/Mar/2016
Salaries & Bonus	68,610,650	50,183,463
Gratuity & Contribution Expense	4,236,365	3,739,012
Staff Welfare Expenses	592,352	927,902
	<b>73,439,367</b>	<b>54,850,377</b>

## 17 Finance Costs

	Amt in Rs.	
	For the year ended 31/Mar/2017	For the year ended 31/Mar/2016
Interest on Borrowings	-	87,127
Bank Charges	2,256	2,032
	<b>2,256</b>	<b>89,159</b>

## 18 Other Expenses

	Amt in Rs.	
	For the year ended 31/Mar/2017	For the year ended 31/Mar/2016
Legal & Professional Fees	36,780	20,300
Communication Expenses	2,600	-
Travelling & Conveyance	44,115	51,992
Payment to Auditors		
Statutory Audit Fees	30,275	25,000
Tax Audit Fees	15,138	12,563
Other Attestation Services	15,383	11,363
Office Expenses	20,829	8,418
	<b>165,120</b>	<b>129,636</b>

## 19 Income Tax Expense

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

	Amt in Rs.		
	As at 31/Mar/2017	As at 31/Mar/2016	As at 1/Apr/2015
Deferred Tax Liabilities	-	-	-
Deferred Tax Assets			
Disallowances under section 43B	-	4,984	322,465
MAT Credit Receivable	21,750	126,634	-
Net Deferred Tax Assets	<b>21,750</b>	<b>131,618</b>	<b>322,465</b>

## ADANI RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

b. The gross movement in the deferred income tax account for the year ended March 31, 2017 and March 31, 2016, are as follows:

	Amt in Rs.	
	For the year ended 31/Mar/2017	For the year ended 31/Mar/2016
Net deferred income tax asset at the beginning	131,618	322,465
<b>Tax (Expenses) / Income recognised in:</b>		
<b>Statement of Profit and Loss</b>		
Expense under section 43B	(4,984)	(317,481)
Entitlement / (Utilisation) of Tax Credit (MAT)	(104,884)	126,634
<b>Other Comprehensive Income</b>	-	-
<b>Net deferred income tax asset at the end</b>	<b>21,750</b>	<b>131,618</b>

c. 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 & 31st March 2016 with breakup of differences in Profit as per the Financial Statements & as per Income Tax Act, 1961.

	Amt in Rs.	
	31/Mar/2017	31/Mar/2016
Profit Before Tax	1,832,275	664,506
Tax Rate for Corporate Entity as per Income Tax Act, 1961	30.90%	30.90%
<b>Tax Expense as per Income Tax Act, 1961.</b>	<b>566,173</b>	<b>205,332</b>
Difference in MAT rate and Income Tax rate	-	78,699
Tax on carried forward loss adjusted in current year	112,149	-
Other item	4,984	-
<b>Income tax recognised in profit and loss account at effective rate</b>	<b>459,008</b>	<b>126,634</b>

## 20 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.

## 21 Financial Instruments And Risk Review

The Company's principal financial liabilities comprise provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations / projects. The Company's principal financial assets include mainly cash and cash equivalents, trade receivables, loans and other financial assets. 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.

### 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.



# ADANI RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

## 22 Contingent Liabilities & Commitments

	Amt in Rs.	
	As at 31/Mar/2017	As at 31/Mar/2016
Contingent Liabilities, to the extent not provided for	-	-
Commitments	-	-
Estimated amount of contracts remaining to be executed on capital accounts (net of advances)	-	-
	-	-

## 23 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.

## 24 Retirement Benefits

### (a) Defined Benefit Obligations :

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

Particulars	Gratuity	
	As at 31/Mar/2017	As at 31/Mar/2016
<b>i. Change in Obligations during the year</b>		
Present Value of Obligations at the beginning of the year	4,466,798	1,284,693
Current Service Cost	1,821,135	869,606
Interest Cost	352,626	102,995
Benefits paid	(122,252)	(89,634)
Actuarial (Gains) / Losses	180,922	2,299,138
Acquisition Adjustment	386,395	-
Present Value at the end of the year	<b>7,085,624</b>	<b>4,466,798</b>
<b>ii. Net Asset / (Liability) recognised in the Balance Sheet</b>		
Present Value of Obligations	7,085,624	4,466,798
Fair Value of Plan Assets	-	-
Net Asset / (Liability)	<b>(7,085,624)</b>	<b>(4,466,798)</b>
<b>iii. Expense recognised in the Statement of Profit and Loss (Refer Clause ix)</b>		
Current Service Cost	1,821,135	869,606
Interest Cost	352,626	102,995
Expected Return on Plan Assets	-	-
	<b>2,173,761</b>	<b>972,601</b>
<b>iv. Expense recognised in Other Comprehensive Income (Refer Clause ix)</b>		
Actuarial (Gains) / Losses	180,922	2,299,138
Return on plan assets, excluding amount recognised in net interest expense	-	-
	<b>180,922</b>	<b>2,299,138</b>

### v. Past five years data for defined benefit obligation and fair value of plan to the extent available:

Particulars	2015-16	2014-15	2013-14	2012-13
Obligations at the end of the year	4,466,798	1,284,693	650,218	158,192
Plan assets at the end of the year	-	-	-	-
Net Assets / (Liability) at the end of year	(4,466,798)	(1,284,693)	(650,218)	(158,192)
<b>Experience Adjustment on :</b>				
(Gain) / Loss for Plan Liabilities	343,775	(140,388)	5,605	-
Gain / (Loss) for Plan Assets	-	-	-	-

# ADANI RESOURCES PRIVATE LIMITED

## Notes to Financial Statements for the year ended 31 March 2017

### vi. Actuarial Assumptions & Sensitivity Analysis

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

	As at 31/Mar/2017	As at 31/Mar/2016
Discount Rate	7.60%	7.90%
Expected Rate of Return on Plan Assets	NA	NA
Mortality / Pre-retirement	IALM 06-08 Ultimate	IALM 06-08 Ultimate
Turnover Rate	1.00%	1.00%
Rate of Escalation in Salary (p.a.)	8.00%	8.00%

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

Particulars	Increase in assumptions		Decrease in assumptions	
	As at 31/Mar/2017	As at 31/Mar/2016	As at 31/Mar/2017	As at 31/Mar/2016
Discount Rate (- / + 1%)	5,805,974	3,629,451	8,717,430	5,542,474
Salary Growth Rate (- / + 1%)	8,693,812	5,530,194	5,799,625	3,623,246
Attrition Rate (- / + 50%)	7,036,461	4,430,351	7,137,777	4,503,855
Mortality Rate (- / + 10%)	7,084,104	4,466,578	7,087,152	4,467,019

### vii. Maturity Profile of Obligations

The average duration of the defined benefit plan obligation at the end of the reporting period is 21 years (31 March 2016: 22 years). The expected maturity analysis of gratuity benefits is as follows :

	As at 31/Mar/2017	As at 31/Mar/2016
Less than a year	56,656	6,081
Between 2 to 5 years	400,570	255,322
Between 6 to 10 years	840,505	507,811
Beyond 10 years	40,379,348	29,667,424
<b>Total</b>	<b>41,677,079</b>	<b>30,436,638</b>

viii. As defined benefit plans of both i.e. Gratuity and Leave Encashment are non-funded, no data is presented as to fair value of plan assets and asset liability matching.

ix. The company has provided for expenses of Gratuity and Leave Encashment on the basis of actuarial valuation. These expenses are recoverable from customer as and when they become payable to the employees. Hence, these expenses are classified as "Other Non-Current Financial Assets" and consequently do not have any impact on Statement of Profit & Loss and Other Comprehensive Income.

### (b) Defined Benefit Contributions :

The company operates defined benefit contribution in the form of Provident Fund, liability in respect of which is provided for on actual contribution basis.

### (c) Other Long Term Employee Benefits :

Other long term employee benefits comprise of compensated absences/leaves, which are recognised based on actuarial valuation. The actuarial liability for compensated absences as at the year ended 31st March, 2017 is Rs. 2,614,670/- (Previous Year Rs. 1,898,693/-).



# ADANI RESOURCES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2017

## 25 Related Parties

Holding Company	:	Adani Enterprises Limited
Subsidiary Company	:	Nil
Fellow Subsidiaries & Associate (with transactions during the year)	:	Nil
Key Management Personnel	:	Mr. Vinay Prakash Mr. Rajesh Kumar Agrawal (w.e.f. 11-Apr-2016) Mr. Ram Avtar Patodia (w.e.f. 22-Feb-2017) Mr. Gurjit Singh Bhatia (ceased w.e.f. 11-Apr-2016) Mr. Mahesh Kumar Thapar (ceased w.e.f. 22-Feb-2017)

Information in respect of Related Parties	Amt in Rs. 31/Mar/2017	Amt in Rs. 31/Mar/2016
<u>Interest Expense</u>		
Holding Company : Adani Enterprises Limited	-	87,127
<u>Manpower Services provided</u>		
Holding Company : Adani Enterprises Limited	75,334,292	55,703,310
<u>Transfer In of Employee Liabilities</u>		
Holding Company : Adani Enterprises Limited	652,669	-
<u>Balance Receivable / (Payable)</u>		
Holding Company : Adani Enterprises Limited	8,332,787	16,452

## 26 Earning Per Share (EPS)

	Amt in Rs.	
	For the year ended 31/Mar/2017	For the year ended 31/Mar/2016
Profit / (Loss) for calculation of basic and diluted EPS	1,373,267	345,359
Weighted average number of equity shares for calculating Basic EPS	10,000	10,000
Weighted average number of equity shares for calculating Diluted EPS	10,000	10,000
Face value of equity shares	10	10
Basic Earning Per Share (in Rupees)	137.33	34.54
Diluted Earning Per Share (in Rupees)	137.33	34.54

## 27 Previous Year Comparatives

Previous year's figures have been recast, regrouped and rearranged, wherever necessary to conform to this year's classification. Further, the figures have been rounded off to the nearest rupee.

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 : 21 MAY 2017



For and on behalf of the board of directors of  
**Adani Resources Private Limited**

**Ram Avtar Patodia**  
Director  
DIN : 01374937

Place : Ahmedabad  
Date : 21 MAY 2017

**Rajesh Kumar Agrawal**  
Director  
DIN : 07482925