

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ADANI PENCH POWER LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **ADANI PENCH POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

#### 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such

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controls. 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 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and read with our comment in the Emphasis of Matter paragraph below, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its losses and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 22 to the financial statements. Considering the Management's plans as mentioned in the note and the financial support from the holding company, the financial statements have been prepared on a going concern basis and no adjustments to the carrying values of assets / liabilities is considered necessary by the Management at this stage.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid 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) The matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

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- (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (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.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Registration No 117365W)



Samir R. Shah  
Partner

Membership No. 101708

Ahmedabad, 12<sup>th</sup> May 2015

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## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business / activities / results during the year, clauses (ii) and (vi) paragraph 3 of the Order are not applicable to the Company.

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, including assets under construction.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit we have not observed any major weaknesses in such internal control system. There are no transactions of purchase of inventories and sale of goods and services.
- (iv) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues towards Provident Fund, Income-tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities during the year.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes.
  - (d) There are no amounts that are required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

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- (vi) The accumulated losses of the Company at the end of the financial year are not less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (vii) In our opinion and according to the information and explanations given to us, the Company has not borrowed any monies from bank or financial institution and has not issued any debentures. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm Registration No. 117365W)



Samir R. Shah

Partner

Membership No. 101708

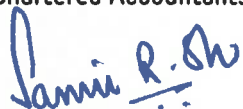
Ahmedabad, 12th May 2015

	Notes	As at 31st March 2015 (Amount In ₹)	As at 31st March 2014 (Amount In ₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	500,000	500,000
Reserves and Surplus	4	(481,248,314)	(215,479,059)
		<b>(480,748,314)</b>	<b>(214,979,059)</b>
<b>Non Current Liabilities</b>			
Long-term Provisions	5	3,770,369	841,480
		<b>3,770,369</b>	<b>841,480</b>
<b>Current Liabilities</b>			
Short-term Borrowings	6	2,360,461,681	2,157,780,417
Trade Payables	7	1,087,807	584,885
Other Current Liabilities	8	16,271,204	16,514,546
Short-term Provisions	9	1,824,753	1,773,134
		<b>2,379,645,445</b>	<b>2,176,652,982</b>
<b>Total</b>		<b>1,902,667,500</b>	<b>1,962,515,403</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	10	668,859,928	669,480,852
Capital Work-In-Progress	11	1,091,921,201	1,078,332,985
		<b>1,760,781,129</b>	<b>1,747,813,837</b>
Long-term Loans and Advances	12	58,986,027	61,839,081
Other Non-current Assets	13	34,328	31,482
		<b>1,819,801,484</b>	<b>1,809,684,400</b>
<b>Current Assets</b>			
Current Investments	14	67,500,000	10,500,000
Cash and Cash Equivalents	15	917,677	128,527,036
Short-term Loans and Advances	16	1,572,561	809,550
Other Current Assets	17	12,875,778	12,994,417
		<b>82,866,016</b>	<b>152,831,003</b>
<b>Total</b>		<b>1,902,667,500</b>	<b>1,962,515,403</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants



SAMIR R. SHAH  
PARTNER

Place : Mumbai  
Date : 12th May, 2015

For and on behalf of board of directors

  
VINOD BHANDAWAT  
DIRECTOR

  
KANDARP PATEL  
DIRECTOR

Place : Ahmedabad  
Date : 12th May, 2015

**ADANI PENCH POWER LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2015**

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	Notes	For the year ended 31st March, 2015 (Amount in ₹)	For the year ended 31st March, 2014 (Amount in ₹)
<b>Revenue</b>			
Other Income	18	10,738,129	10,772,676
<b>Total Revenue</b>		<b>10,738,129</b>	<b>10,772,676</b>
<b>Expenses</b>			
Employee Benefits Expenses	19	34,783,699	30,017,773
Finance Costs	20	223,096,662	192,957,384
Depreciation and Amortisation Expenses		2,422,435	1,098,483
Other Expenses	21	15,350,297	1,520,965
<b>Total Expenses</b>		<b>275,653,093</b>	<b>225,594,605</b>
<b>Loss before tax</b>		<b>(264,914,964)</b>	<b>(214,821,929)</b>
<b>Tax Expenses:</b>			
Current tax		-	-
Short / (Excess) provision for tax relating to prior period		104,352	-
<b>Loss for the year</b>		<b>(265,019,316)</b>	<b>(214,821,929)</b>
<b>Earnings per share (EPS)</b> <b>(Face Value of ₹ 10 per share)</b>	28		
Basic and Diluted EPS (₹)		(5,300.39)	(4,296.44)

See accompanying notes forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants



**SAMIR R. SHAH**  
PARTNER

Place : Mumbai  
Date : 12th May, 2015

For and on behalf of board of directors

  
**VINOD BHANDAWAT**  
DIRECTOR

Place : Ahmedabad  
Date : 12th May, 2015

  
**KANDARP PATEL**  
DIRECTOR

## Cash Flow Statement for the Year ended 31st March, 2015

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For the year ended  
31st March, 2015  
(Amount in ₹)For the year ended  
31st March, 2014  
(Amount in ₹)**A. Cash flow from operating activities**

Loss before tax as per Statement of Profit and Loss

(264,914,964)

(214,821,929)

Adjustment for:

Interest Income

(6,381,548)

(10,297,218)

Gain on sale of units of mutual fund

(4,356,581)

(129,031)

Depreciation and amortisation

2,422,435

1,098,483

Finance Costs

223,096,662

192,957,384

**Operating loss before working capital changes****(50,133,996)****(31,192,311)**

Change in Working Capital :

(Increase) / Decrease in Operating Assets:

Short-term Loans and Advances

(763,011)

30,306

Long-term Loans and Advances

(1,462,816)

16,184,333

Other Current Assets

-

(12,875,778)

**(2,225,827)****3,338,861**

Increase / (Decrease) In Operating Liabilities

Trade Payables

502,922

21,521

Long-term Provisions

2,928,889

26,351

Short-term Provisions

51,619

1,628,565

Other Current Liabilities

4,414,187

(2,397,510)

**7,897,617****(721,073)**

Cash generated from operations

**(44,462,206)****(28,574,523)**

Net Income tax (paid) / refunds

(47,770)

3,482,620

**Net cash used in operating activities (A)****(44,509,976)****(25,091,903)****B. Cash flow from investing activities**

Capital expenditure on fixed assets and capital work in progress, including capital advances

(16,537,907)

(115,093,842)

Interest Income Received

6,500,187

10,287,941

Purchase of Current Investments

(285,550,000)

(87,716,775)

Proceeds from sale of Current Investments

232,906,581

77,345,806

Margin Money Deposits Withdrawn / (Placed)

127,359,300

(9,960,548)

**Net cash from / (used in) Investing activities (B)****64,678,161****(125,137,418)****C. Cash flow from financing activities**

Proceeds from of Long-term Borrowings

-

1,609,399,000

Repayment of Long-term Borrowings

-

(1,910,794,801)

Proceeds from of Short-term Borrowings

29,900,000

2,157,780,416

Repayment of Short-term Borrowings

(39,234,425)

(1,514,248,297)

Finance Costs

(11,080,973)

(192,955,370)

**Net cash from / (used in) financing activities (C)****(20,415,398)****149,180,948****Net increase in cash and cash equivalents (A+B+C)****(247,213)****(1,048,373)****Cash and cash equivalents at the beginning of the year****1,164,890****2,213,263****Cash and cash equivalents at the end of the year****917,677****1,164,890****1 Reconciliation of Cash and cash equivalents with the Balance Sheet:**

Cash and cash equivalents as per Balance Sheet (Refer Note 15)

917,677

1,164,890

**2 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement'.****3 Previous figures have been restated wherever necessary, to conform to current year's classification.**

See accompanying notes forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS &amp; SELLS

Chartered Accountants

SAMIR R. SHAH  
PARTNER

Place : Mumbai

Date : 12th May, 2015

For and on behalf of board of directors

  
VINOD BHANDAWAT  
DIRECTOR  
KANDARP PATEL  
DIRECTOR

Place : Ahmedabad

Date : 12th May, 2015



**1 Corporate Information**

Adani Pench Power Limited (the Company) is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is wholly owned subsidiary of Adani Enterprises Limited and plans to set up two power generating units of 660MW each resulting into total power generating capacity to 1320MW Power Plant based on Super Critical Technology at Chhindwara, Madhya Pradesh. The Company is currently developing the basic Infrastructure facilities and has suspended the order for equipment supply due to technical reasons.

**2 Summary of significant accounting policies****a. Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**b. Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in 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 the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**c. Tangible Assets**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises of its purchase price, any non-refundable duties and taxes and any attributable cost for bringing the assets ready for their intended use. Borrowing costs directly attributable to qualifying assets / capital projects are capitalized and included in the cost of fixed assets to the extent they relate to the period till such assets are ready for their intended use.

**d. Project Development Expenditure / Capital Work-in-Progress**

Expenditure related to and incurred during implementation of capital projects is included under "Capital Work in Progress" or "Project Development Expenditure" as the case may be. The same is allocated to the respective fixed assets on completion of construction/ erection of the capital project/ fixed assets.

**e. Depreciation / Amortisation**

Depreciation on fixed assets has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in case of the power plant assets, in whose case the life of the assets will be estimated based on technical assessment, taking into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support etc.

**f. Leases**

Assets acquired on leases where a significant portion of risks and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

**g. Investments**

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if, such a decline is other than temporary in the opinion of the management. Current investments are carried at lower of cost or fair value.

**h. Revenue recognition**

- i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exist.
- ii) Interest Income is accounted for on an accrual basis. Dividend Income is accounted for when the right to receive income is established.

**i. Impairment of Assets**

The carrying values of assets / cash generating units are reviewed for impairment at each balance sheet date. If any indication of impairment exists, the recoverable amount is estimated. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. An asset is treated as impaired when the carrying value of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**j. Borrowing costs**

Borrowing costs include interest on borrowings, amortisation of ancillary costs incurred for borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost. Such costs to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the borrowings. Borrowing costs that are attributable to construction / acquisition of qualifying assets are capitalized as part of the cost of such assets up to the date the assets are ready for their intended use.

**k. Foreign exchange transactions**

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies outstanding at the balance sheet date are restated at the rates prevailing on that date. The exchange differences arising on settlement / restatement of long term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange differences are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and are amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier and charged to the Statement of Profit and Loss. Exchange differences arising on settlement / restatement of short term foreign currency monetary items are recognized as income or expense in the Statement of Profit and Loss.
- iii) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense in the period in which such cancellation or renewal is made.
- iv) Non monetary foreign currency items are carried at cost.



**Employee Benefits**

i) Defined benefit plans : The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

ii) Defined contribution plan : Retirement Benefits in the form of Provident Fund and Family Pension Fund, which are defined contribution schemes, are charged to the Project Development Expenditure Account till the commencement of commercial production otherwise, the same is charged to the Statement of Profit and Loss for the period, in which the contributions to the respective funds accrue.

iii) Compensated Absences: Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method.

iv) Short term employee benefits are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are received.

**Earnings per share:**

Basic earnings per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares.

**Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the other provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in Statement of Profit & Loss.

**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 probable that there will be an outflow of resources. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3 Share Capital**

	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
Authorised Share Capital 50,000 (As at 31st March, 2014 - 50,000) equity shares of ₹. 10/- each	500,000	500,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>
Issued, Subscribed and fully paid-up equity shares 50,000 (As at 31st March, 2014 - 50,000) fully paid up equity shares of ₹. 10/- each	500,000	500,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>

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

	As at 31 March 2015		As at 31 March 2014	
	No. Shares	(Amount in ₹)	No. Shares	(Amount in ₹)
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

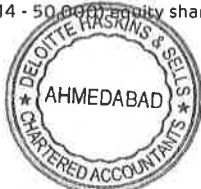
**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**c. Shares held by holding company**

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

	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
Adani Enterprises Limited 50,000 (As at 31st March, 2014 - 50,000) equity shares of ₹.10 each fully paid	500,000	500,000



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

	As at 31st March 2015		As at 31st March 2014	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Adani Enterprises Limited, Holding Company	50,000	100%	50,000	100%
<b>Total</b>	<b>50,000</b>	<b>100%</b>	<b>50,000</b>	<b>100%</b>

## 4 Reserves and Surplus

## Deficit in the Statement of Profit and Loss

Opening Balance

Less : Loss for the year

Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax) (Refer Note 10)

Closing Balance

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
(215,479,059)	(657,130)
(265,019,316)	(214,821,929)
(749,939)	-
<b>(481,248,314)</b>	<b>(215,479,059)</b>

## 5 Long term Provisions

Provision for Employee Benefits (Refer Note 30)

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
3,770,369	841,480
<b>3,770,369</b>	<b>841,480</b>

## 6 Short-term Borrowings

Unsecured borrowings

From Related Party

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
2,360,461,681	2,157,780,417
<b>2,360,461,681</b>	<b>2,157,780,417</b>

## 7 Trade Payables

Other than Acceptances (Refer Note 26)

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
1,087,807	584,885
<b>1,087,807</b>	<b>584,885</b>

## 8 Other Current Liabilities

Statutory liabilities

Retention Money payable on purchase of fixed assets

Payable on Purchase of Fixed Assets

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
6,034,542	1,620,355
3,473,047	3,286,284
6,763,615	11,607,907
<b>16,271,204</b>	<b>16,514,546</b>

## 9 Short-term Provisions

Provision for Employee Benefits (Refer Note 30)

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
1,824,753	1,773,134
<b>1,824,753</b>	<b>1,773,134</b>



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## 10 FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block (at cost)				Depreciation and Amortisation				Net Block	
	As at 1st April 2014	Additions during the Year	Deductions during the year	As at 31st March 2015	As at 1st April 2014	For the year	Deductions during the year	Adjustment during the year (Refer Note a)	As at 31st March 2015	As at 31st March 2014
<b>Tangible Assets</b>										
Land (Free hold)	658,972,852	2,551,450	-	661,524,302	-	-	-	-	661,524,302	658,972,852
Buildings	974,545	-	-	974,545	974,545	-	-	-	974,545	-
Plant & Equipments	4,668,127	-	-	4,668,127	476,630	302,928	-	-	779,558	4,191,497
Furniture and Fixtures	1,407,711	-	-	1,407,711	727,555	99,092	-	-	826,647	581,064
Computers	3,416,103	-	-	3,416,103	1,332,883	567,443	-	578,689	2,479,015	937,088
Office Equipments	4,377,137	-	-	4,377,137	824,010	1,452,972	-	171,250	2,448,232	1,928,905
Vehicles	16,500	-	-	16,500	16,500	-	-	-	16,500	-
<b>Total Tangible Fixed Assets</b>	<b>673,832,975</b>	<b>2,551,450</b>	<b>-</b>	<b>676,384,425</b>	<b>4,352,123</b>	<b>2,422,435</b>	<b>-</b>	<b>749,939</b>	<b>7,524,497</b>	<b>669,480,852</b>
<b>Previous Year</b>	<b>598,918,892</b>	<b>74,952,983</b>	<b>38,900</b>	<b>673,832,975</b>	<b>3,266,372</b>	<b>1,098,483</b>	<b>12,732</b>	<b>-</b>	<b>4,352,123</b>	<b>669,480,852</b>

a) During the year, the estimated useful life and residual value of the fixed assets have been revised in accordance with Schedule II of the Companies Act, 2013 and other considerations, as applicable. Due to this change in estimated useful life and residual value of assets, the depreciation / amortisation charge of ₹ 7,49,939 been recognised in the opening balance of retained earnings for assets where estimated remaining useful life was nil as at April 1, 2014, and the depreciation charge for the period ended March 31, 2015 has been increased by ₹ 13,19,077 with corresponding impact on carrying value of tangible fixed assets.



## Notes to financial statements for the year ended 31st March 2015

## 11 Capital Work-in-Progress

## 11.1 Capital Work-in-Progress

\*Above Includes Project Development Expenditure as under:

Opening balance:

Add: Incurred during the year [refer note below]

Closing Balance

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
1,091,921,201	1,078,332,985
737,595,335	715,312,915
-	22,282,420
737,595,335	737,595,335

## 11.2 Project development expenditure incurred during the year

## (a) Expenses

Employee Welfare Expenses

Insurance Expenses

Legal &amp; Professional Fees

Communication Expenses

Administration and Office Expenses

Stationery &amp; Courier Expenses

Vehicle Hire Charges

Travelling &amp; Conveyance Expenses

Miscellaneous Expenses

Interest and Finance Charges

Total (a)

For the year ended 31st March 2015 (Amount in ₹)	For the year ended 31st March 2014 (Amount in ₹)
-	3,267,124
-	9,051
-	6,396,762
-	237,115
-	4,890,640
-	74,912
-	6,467,495
-	233,342
-	721,657
-	2,014
-	22,300,112

## (b) Less : Other Income

Miscellaneous Income

Total (b)

Total (a)-(b)

-	17,692
-	17,692
-	22,282,420

## 12 Long-term Loans and Advances

(Unsecured, considered good, unless otherwise stated)

Capital Advances

Advances to Employees

Advance Tax

Security deposits (non interest bearing)

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
18,208,427	22,467,715
300,000	180,000
1,530,207	1,586,789
38,947,393	37,604,577
58,986,027	61,839,081

## 13 Other Non-current Assets

Balance held as Margin Money

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
34,328	31,482
34,328	31,482

## 14 Current Investments

(At lower of Cost and Net Realizable Value)

Investment in Mutual Fund (Quoted)

Reliance Liquidity Fund - Growth Plan

SBI Premier Liquid Fund - Direct Plan - Growth

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
-	10,500,000
67,500,000	-
67,500,000	10,500,000

Aggregate value of Quoted Investments

- Cost

- Market Value

67,500,000	10,500,000
67,533,624	10,513,627

## 15 Cash and Cash Equivalents

Cash and Cash Equivalents (as per AS-3 Cash Flow Statement)

Balances with banks

In current accounts

Other bank balances

Balances held as Margin Money

Total

As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
917,677	1,164,890
917,677	1,164,890
-	127,362,146
917,677	128,527,036



**16 Short-term Loans and Advances**

(Unsecured, Considered Good, unless otherwise stated)

Security deposits (non interest bearing)  
Advance to suppliers  
Loans and Advances to Employees

	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
	68,300	95,300
	1,215,105	315,526
	289,156	398,724
<b>Total</b>	<b>1,572,561</b>	<b>809,550</b>

**17 Other Current Assets**

Interest receivable  
Receivable from Related Party on sale of Fixed Assets

	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
	-	118,639
	12,875,778	12,875,778
<b>Total</b>	<b>12,875,778</b>	<b>12,994,417</b>

**18 Other Income**

Interest Income from Bank Deposits  
Interest Income from Income Tax Refund  
Gain on Sale of Units of Mutual Funds

	For the year ended 31st March 2015 (Amount in ₹)	For the year ended 31st March 2014 (Amount in ₹)
	6,371,509	10,297,218
	10,039	346,427
	4,356,581	129,031
<b>Total</b>	<b>10,738,129</b>	<b>10,772,676</b>

**19 Employee Benefits Expense**

Salaries, Wages and Allowances  
Contribution to Provident and Other Funds  
Employee Welfare Expenses

	For the year ended 31st March 2015 (Amount in ₹)	For the year ended 31st March 2014 (Amount in ₹)
	30,779,388	28,901,577
	1,040,541	1,116,196
	2,963,770	-
<b>Total</b>	<b>34,783,699</b>	<b>30,017,773</b>

**20 Finance Costs**

Interest on Loans

	For the year ended 31st March 2015 (Amount in ₹)	For the year ended 31st March 2014 (Amount in ₹)
	223,096,662	192,957,384
<b>Total</b>	<b>223,096,662</b>	<b>192,957,384</b>

**21 Other Expenses**

Repairs & Maintenance  
Buildings  
Machinery  
Others  
Payment to Auditors (Refer Note 27)  
Legal & Professional Fees  
Loss on Sale of Capital Inventory  
Insurance Expenses  
Communication Expenses  
Other Administration Expenses  
Stationery & Courier Expenses  
Travelling Expenses  
Rent Expenses  
Vehicle Hiring Expenses  
Donations  
Miscellaneous Expenses

	For the year ended 31st March 2015 (Amount in ₹)	For the year ended 31st March 2014 (Amount in ₹)
	6,000	-
	55,793	-
	157,039	-
	112,360	112,360
	2,918,308	8,614
	-	1,399,991
	6,524	-
	201,590	-
	4,550,469	-
	143,414	-
	377,856	-
	557,582	-
	6,246,226	-
	7,500	-
	9,636	-
<b>Total</b>	<b>15,350,297</b>	<b>1,520,965</b>

**22** The Company has obtained majority of the clearances for execution of 1320 MW of Power Project at Chindwara and is currently developing the basic Infrastructure facilities for the project. The financial closure of the project will be pursued upon firming up of the Power Purchase Agreement and coal supplies which are in advanced stage. Considering these factors and the financial support from the holding Company, though the current liabilities (which mainly comprise of ₹ 2,360,461,681 as short term borrowing from holding company), exceed current assets by ₹ 2,296,779,429, the financial statements have been prepared on a going concern basis and no adjustments to the carrying values of assets and liabilities is considered necessary by the Management at this stage.



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**23 Contingent Liabilities and Commitment:**

Contingent Liabilities - ₹ Nil (Previous Year ₹ Nil)

Estimated amount of contract remaining to be executed on capital account and not provided for ₹. 3,16,56,035 (As at 31 March 2014 ₹. 6,85,39,633)

**24 Operating lease:**

The Company has entered into operating lease arrangements for right to use office premises, land and employee's accommodations. The lease agreements are executed for a period of 1 year with a renewal clause and also provide for termination by either party by giving a prior notice

	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
<b>Future minimum lease payments under operating leases</b>		
Not later than one year	762,845	936,638
<b>Total</b>	<b>762,845</b>	<b>936,638</b>

Lease payments recognised in the Project Development Expenditure ₹ Nil (Previous Year ₹ 20,66,347)

Lease payments recognised in Statement of Profit &amp; Loss ₹ 5,57,582 (Previous Year ₹ Nil)

**25** In the opinion of the management and to the best of their knowledge and belief, the value under the head of current assets are approximately of the value stated, if realized in ordinary course of business, unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

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

**27 Payment to Auditors comprise of :**

	For the Year ended 31st March 2015 (Amount in ₹)	For the Year ended 31st March 2014 (Amount in ₹)
Audit fees	112,360	112,360
<b>Total</b>	<b>112,360</b>	<b>112,360</b>

**28** Pursuant to the Accounting Standard (AS- 20) – Earnings per Share, the disclosure is as under:

	For the Year ended 31st March 2015 (Amount in ₹)	For the Year ended 31st March 2014 (Amount in ₹)
<b>Basic and Diluted EPS</b>		
Loss attributable to equity shareholder's	₹ (265,019,316)	(214,821,929)
Weighted average number of equity shares outstanding during the year	No 50,000	50,000
Nominal Value of equity share	₹ 10	10
Basic and Diluted EPS	₹ (5,300.39)	(4,296.44)

**29** The Company's activities during the year revolve around setting up of its power project. Considering the nature of Company's business and operations, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17 – 'Segment Reporting', prescribed under Companies (Accounts) Rules, 2014.

**30** As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the accounting standard are given below.

**(a) Defined Benefit Plan**

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, 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.

The status of gratuity plan (non-funded) as required under AS-15 (revised):

**Particulars****I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation**

	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
Present Value of Defined Benefit Obligations at the beginning of the Year	1,185,753	391,603
Current Service Cost	137,592	187,348
Interest Cost	111,224	32,307
Benefit paid	-	(333,691)
Net Actuarial losses / (gain) Recognized	1,693,132	908,186
Present Value of Defined Benefit Obligations at the end of the Year	3,127,701	1,185,753

**II. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets**

	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
Present Value of Defined Benefit Obligations at the beginning of the Year	3,127,701	1,185,753
Fair Value of Plan assets at the end of the year	-	-
Net Liability recognized in balance sheet as at the end of the year	(3,127,701)	(1,185,753)

**III. Gratuity Cost for the Year**

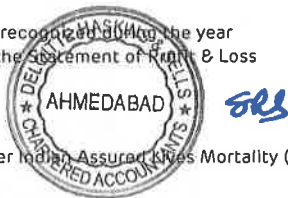
	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
Current service cost	137,592	187,348
Interest cost	111,224	32,307
Expected return on plan assets	-	-
Actuarial (Gain) / Loss	1,693,132	908,186
Past service cost-vested benefit recognized during the year	-	-
Net Gratuity cost recognized in the Statement of Profit & Loss	1,941,948	1,127,841

**IV. Actuarial Assumptions**

	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
Discount Rate (per annum)	8.00%	9.38%
Annual Increase in Salary Cost	14.00%	14.00%

Mortality Rates are given under Indian Assured Lives Mortality (2006-08) Ultimate Retirement Age 58 Years

Past five years data for defined benefit obligation and fair value of plan:



## Notes to financial statements for the year ended 31st March 2015

	2010-11 (₹ In Crores)	2011-12 (₹ In Crores)	2012-13 (₹ In Crores)	2013-14 (₹ In Crores)
Present value of defined benefit obligations at the end of the year	45,667	123,508	391,603	1,185,753
Fair value of plan assets at the end of the year	-	-	-	-
Net assets / (liability) at the end of year	45,667	123,508	391,603	1,185,753
Experience gain / (loss) adjustments on plan liabilities	-	26,667	(123,178)	(793,607)
Experience gain / (loss) adjustments on plan assets	-	-	-	-

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2014-15.

The actuarial Liability for leave encashment and compensated absences (Privilege Leave) as at the year ended 31st March 2015 is ₹. 23,32,089 (Previous Year ₹. 12,49,565)

The actuarial liability for compensated absences (Sick Leave) as at the year ended 31st March 2015 is ₹ 1,35,332 (As at 31st March 2014- ₹ 1,79,296)

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

Ultimate Controlling Party	Shantilal Bhudhermal Adani Family Trust (SBAFT)
Immediate Holding Company	Adani Enterprises Limited
Fellow subsidiaries	Adani Power Limited Adani Power Maharashtra Limited Adani Power Rajasthan Limited Adani Infra (India) Limited
Key management personnel	Mr. Vneet S. Jaal (Upto 15th May, 2014) Mr. R. K. Madan (Upto 15th May, 2014) Mr. Shrikant Lonikar (Upto 15th May, 2014) Mr. Vinod Bhandawat, Director (w.e.f 14th May, 2014) Mr. Kandarp Patel, Director (w.e.f 14th May, 2014) Mr. Abhishash Mehta, Director (w.e.f 14th May, 2014)

**b. Transaction with related parties**

Related Party	Relation	Nature of Transaction	For the year ended 31st March 2015 (Amount in ₹)	For the year ended 31st March 2014 (Amount in ₹)
Adani Enterprises Ltd.	Immediate Holding Company	Loan repaid	-	1,514,248,298
		Loan taken	241,915,691	2,118,545,990
		Interest on loan	219,093,606	62,143,070
Adani Power Maharashtra Ltd.	Fellow subsidiary	Employee Balance Transfer	94,560	-
		Sales of Scrap	-	10,600
		Sale of Inventory	-	23,065,488
Adani Power Ltd.	Fellow Subsidiary	Loan taken	-	1,609,399,000
		Loan repaid	-	1,910,794,801
		Interest on loan	-	128,887,173
		Transfer of employee loan	955,508	31,869
		Sale of Inventory	-	12,875,778
Adani Infra (India) Ltd.	Fellow subsidiary	Loan Taken	-	39,234,426
		Loan Repayment	39,234,426	-
		Interest Expense on Loan Taken	3,999,493	1,927,140
		Transfer of employee loan	30,000	-
Adani Power Rajasthan Ltd.	Fellow subsidiary	Transfer of employee loan	-	5,000



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**c. Balances with related parties**

Related Party	Relation	As at 31st March 2015 (Amount in ₹)	As at 31st March 2014 (Amount in ₹)
Adani Enterprises Limited	Immediate Holding Company	2,360,461,681 Cr	211,85,45,990 Cr
Adani Power Limited	Fellow Subsidiary	11,920,270 Dr	128,75,778 Dr
Adani Power Rajasthan Ltd	Fellow subsidiary	75,000 Dr	75,000 Dr
Adani Infra (India) Limited	Fellow subsidiary	30,000 Cr	3,92,34,426 Cr
Adani Power Maharashtra Ltd	Fellow subsidiary	40,000 Cr	

32 Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's classification

**In terms of our report attached****For DELOITTE HASKINS & SELLS**

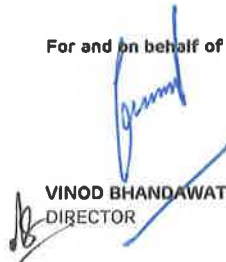
Chartered Accountants



**SAMIR R. SHAH**  
PARTNER

Place : Mumbai

Date : 12th May, 2015

**For and on behalf of board of directors**


**VINOD BHANDAWAT**  
DIRECTOR

Place : Ahmedabad

Date : 12th May, 2015



**KANDARP PATEL**  
DIRECTOR