

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Adani Power (Mundra) Limited

**Report on the Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of Adani Power (Mundra) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS 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 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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 issued by the Institute of Chartered Accountants of India, as 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 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 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.



Adani Power (Mundra) Limited

Auditor's Report on Financial Statements for year ended March 31, 2018

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**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Emphasis of Matter**

We draw attention to Note 34 to the Ind AS financial statements which indicates that the Company incurred a net loss of ₹ 1,694.09 crores during the year ended March 31, 2018 and, has accumulated losses of ₹ 9,747.59 crores as at March 31, 2018. Further, as of that date, the Company's current liabilities exceeded its current assets by ₹ 10,729.22 crores. As stated in Note 34, these events or conditions, along with other matters as set forth in Note 34, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

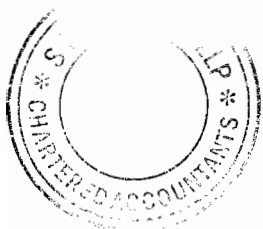
**Other Matter**

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, prior to giving effect to the adjustments described in Note 45 to these Ind AS financial statements relating to the retroactive accounting for the merger of the 4,620 MW Mundra Thermal Power Undertaking, into the Company, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 23, 2017.

We have audited the adjustments to reflect the effects of the scheme of arrangement described in Notes 45 to restate the financial information as at and for the year ended March 31, 2017. In our opinion, such adjustments are appropriate and have been properly applied. We further state that we were not engaged to audit, review or apply any procedures to the financial information of the Company as at and for the year ended March 31, 2017 other than with respect to the aforesaid adjustments and, accordingly, we do not express an opinion or review conclusion or any other form of assurance on the financial information as at and for the year ended March 31, 2017 as a whole.

**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 the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



Adani Power (Mundra) Limited

Auditor's Report on Financial Statements for year ended March 31, 2018

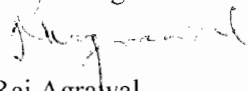
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- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (g) 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 dated May 2, 2018 in "Annexure 2" to this report;
- (h) 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 17 to the Ind AS financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C &amp; CO LLP

Chartered Accountants

ICAI-Firm Registration Number: 324982E/E300003

  
per Raj Agrawal  
Partner

Membership Number: 82028

Place of Signature: Ahmedabad

Date: May 2, 2018



Adani Power (Mundra) Limited

Auditor's Report on Financial Statements for year ended March 31, 2018

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**Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2018**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has regular programme of physical verification of its fixed assets through which all the fixed assets are verified in a phased manner, over a period of three years. In our opinion, the programme of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment, are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which the provisions of sections 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the generation of power and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, value added tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provision relating to employees' state insurance and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of customs, value added tax, goods and services tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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- (c) According to the records of the Company, the dues outstanding of service tax, entry tax, value added tax and customs duty on account of any dispute, are as follows:

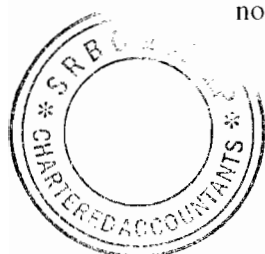
Name of the statute	Nature of Tax	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	5.12	2008-09	Customs, Excise Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	54.95*	July 2015 to February 2016	High Court of Gujarat
Entry Tax Act, 1999	Entry Tax	5.89	2010-11 to 2012-13	Commercial Tax Appellate Board
Rajasthan Value Added Tax Act, 2003	VAT	3.43	2012-13	Appellate Authority, Ajmer

\* Pursuant to the order of the Hon'ble High Court of Gujarat dated February 11, 2016, the recovery of this amount has been stayed.

- (viii) According to the information and explanations given by the management, the Company has delayed in repayment of loans or borrowings to banks and financial institutions and ₹ 670.45 crores of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

Particulars	Amount of the default as at the Balance sheet date (₹ in crores)	Period of default since	Remarks (also refer note 37 to the Ind AS financial statements)
ICICI Bank Limited	0.30	March 2018	
Consortium of Deutsche Bank, The Royal Bank of Scotland NV, Bank of India, State Bank of India, Standard Chartered Bank	1.81	March 2018	
IDBI Bank	412.65	February and March 2018	₹ 220.75 crores were paid before approval of the financial statements
United bank of India	86.78	March 2018	
Union bank of India	66.63	March 2018	
State Bank of India	102.28	March 2018	₹ 21.25 crores were paid before approval of the financial statements

The Company has not defaulted in repayment of dues to debenture holders. The Company did not have any loans or borrowing from government during the year.



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Auditor's Report on Financial Statements for year ended March 31, 2018

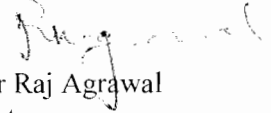
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- (ix) In our opinion and according to the information and explanations given by the management, the monies raised by the Company by way of term loans were applied for the purposes for which those were raised. The Company has not raised any monies by way of initial public offer / further public offer during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration to its directors, including managing director and whole time directors, and its manager.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C &amp; CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

  
per Raj Agrawal  
Partner

Membership Number: 82028

Place of Signature: Ahmedabad

Date: May 2, 2018



Adani Power (Mundra) Limited

Auditor's Report on Financial Statements for year ended March 31, 2018

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**Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Ind AS Financial Statements of Adani Power (Mundra) Limited**

**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 Adani Power (Mundra) Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

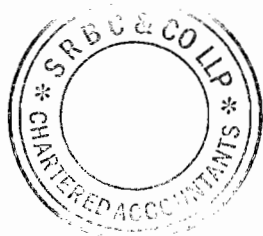
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

**Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Adani Power (Mundra) Limited

Auditor's Report on Financial Statements for year ended March 31, 2018

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

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

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

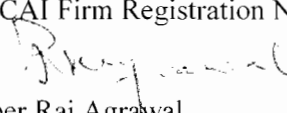
**Opinion**

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

For S R B C &amp; CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

  
per Raj Agrawal  
Partner

Membership Number: 82028

Place of Signature: Ahmedabad

Date: May 2, 2018



**ADANI POWER (MUNDRA) LIMITED**  
(Previously known as Adani Power (Karnataka) Limited)  
**Balance Sheet as at 31st March, 2018**  
All amounts are in ₹ Crores, unless otherwise stated

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Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	4	21,178.91	22,037.06
(b) Capital Work-In-Progress	4	24.53	25.24
(d) Financial Assets			
(i) Other Financial Assets	5	1.82	11.80
(e) Other Non-current Assets	6	257.24	266.48
<b>Total Non-current Assets</b>		<b>21,462.50</b>	<b>22,340.58</b>
<b>Current Assets</b>			
(a) Inventories	7	294.55	1,082.17
(b) Financial Assets			
(i) Trade Receivables	8	1,212.30	1,693.87
(ii) Cash and Cash Equivalents	9	4.60	52.53
(iii) Bank Balances other than (ii) above	10	320.97	285.06
(iv) Loans	11	0.91	0.91
(v) Other Financial Assets	12	517.55	246.12
(c) Other Current Assets	13	358.07	287.05
<b>Total Current Assets</b>		<b>2,708.95</b>	<b>3,647.71</b>
<b>Total Assets</b>		<b>24,171.45</b>	<b>25,988.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital (Includes ₹ 106.00 Crores as on 31st March, 2017 towards shares to be issued)	14	106.05	106.05
(b) Other Equity	15	(6,580.03)	(4,885.94)
<b>Total Equity</b>		<b>(6,473.98)</b>	<b>(4,779.89)</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	13,979.68	16,269.86
(ii) Other Financial Liabilities	17	11.97	13.67
(b) Provisions	18	15.31	4.55
(c) Deferred Tax Liabilities (Net)	19	-	-
(d) Other Non-current Liabilities	20	3,200.30	3,250.65
<b>Total Non-current Liabilities</b>		<b>17,207.26</b>	<b>19,538.73</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	4,853.35	3,592.16
(ii) Trade Payables	22	4,609.22	4,509.23
(iii) Other Financial Liabilities	23	3,542.15	2,903.92
(b) Other Current Liabilities	24	430.92	221.66
(c) Provisions	25	2.53	2.48
<b>Total Current Liabilities</b>		<b>13,438.17</b>	<b>11,229.45</b>
<b>Total Liabilities</b>		<b>30,645.43</b>	<b>30,768.18</b>
<b>Total Equity and Liabilities</b>		<b>24,171.45</b>	<b>25,988.29</b>

The accompanying notes are integral part of the financial statements.

In terms of our report attached

For S R B C & Co LLP

Firm Registration No. 324982E/E300003

Chartered Accountants

per RAJ AGRAWAL

PARTNER

Membership No. 82028

Place : Ahmedabad

Date : 2nd May, 2018

For and on behalf of the Board of Directors

RAJIVKUMAR RUSTAGI

DIRECTOR

DIN : 07193069

SANDEEP JAIN

CHIEF FINANCIAL OFFICER

JAYADEB NANDA

DIRECTOR

DIN : 06578925

GAURAV VEŚAŚI

COMPANY SECRETARY

Place : Ahmedabad

Date : 2nd May, 2018

**ADANI POWER (MUNDRA) LIMITED**

(Previously known as Adani Power (Karnataka) Limited)

**Statement of Profit and Loss for the year ended 31st March, 2018****adani**<sup>TM</sup>

All amounts are in ₹ Crores, unless otherwise stated

Particulars	Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from Operations	26	9,691.76	10,783.34
Other Income	27	56.11	170.67
<b>Total Income</b>		<b>9,747.87</b>	<b>10,954.01</b>
<b>Expenses</b>			
Fuel Cost		5,600.01	7,190.66
Purchases of Stock in Trade		1,278.68	1,266.26
Employee Benefits Expense	28	120.30	94.34
Finance Costs	29	2,273.99	2,345.11
Depreciation and Amortisation Expense	4	1,103.62	1,079.00
Other Expenses	30	1,063.99	976.33
<b>Total Expenses</b>		<b>11,440.59</b>	<b>12,951.70</b>
<b>(Loss) before exceptional items and tax</b>		<b>(1,692.72)</b>	<b>(1,997.69)</b>
Exceptional Items	31	-	3,619.49
<b>(Loss) before tax</b>		<b>(1,692.72)</b>	<b>(5,617.18)</b>
<b>Tax Expense:</b>			
Current Tax	32	-	-
Deferred Tax	19	-	-
<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
<b>(Loss) for the year</b>	<b>(A)</b>	<b>(1,692.72)</b>	<b>(5,617.18)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans, (net of tax)	43 (B)	(1.37)	1.63
<b>Total Comprehensive (Loss) for the year</b>	<b>Total (A+B)</b>	<b>(1,694.09)</b>	<b>(5,615.55)</b>
<b>Earnings / (Loss) Per Equity Share (EPS)</b>			
<b>Basic and Diluted (Face Value ₹ 10 Per Share) (₹)</b>	41	(159.62)	(529.67)

The accompanying notes are integral part of the financial statements.

In terms of our report attached

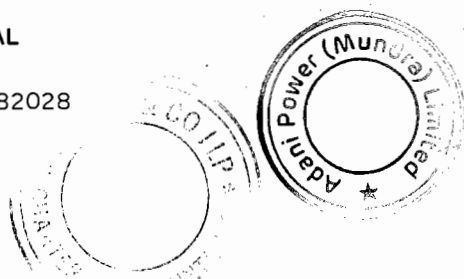
For S R B C &amp; Co LLP

Firm Registration No. 324982E/E300003

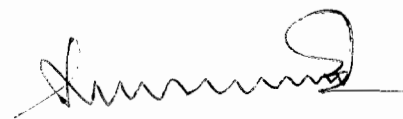
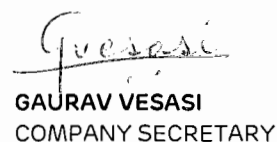
Chartered Accountants


per RAJ AGRAWAL  
PARTNER

Membership No. 82028



For and on behalf of the Board of Directors


RAJIVKUMAR RUSTAGI  
DIRECTOR  
DIN : 07193069SANDEEP JAIN  
CHIEF FINANCIAL OFFICER

JAYADEB NANDA  
DIRECTOR  
DIN : 06578925

  
GAURAV VESASI  
COMPANY SECRETARY
Place : Ahmedabad  
Date : 2nd May, 2018Place : Ahmedabad  
Date : 2nd May, 2018

**Adani Power (Mundra) Ltd**  
**(Previously known as Adani Power (Karnataka) Limited)**  
**Statement of changes in equity for the year ended 31st March, 2018**  
**All amounts are in ₹ Crores, unless otherwise stated**



**A. Equity Share Capital**

Particulars	No. of Shares	Amount
Balance as at 1st April, 2016	50,000	0.05
Changes in equity share capital during the year		
Consideration on account of scheme of arrangement (Pending issuance) (Refer note 45)	106,000,000	106.00
Balance as at 31st March, 2017	106,050,000	106.05
Changes in equity share capital during the year *	-	-
Balance as at 31st March, 2018	106,050,000	106.05

\* Company has issued and allotted 10,60,00,000 fully paid up equity shares of ₹ 10 each during the year on account of scheme of arrangement.

**B. Other Equity**

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 1st April, 2016	-	3,273.56	(2,437.95)	835.61
(Loss) for the year	-	-	(5,617.18)	(5,617.18)
Addition on account of scheme of arrangement (Refer note 45)	(106.00)	-	-	(106.00)
Remeasurement of defined benefit plans.	-	-	1.63	1.63
Total Comprehensive (Loss) for the year	(106.00)	3,273.56	(8,053.50)	(4,885.94)
Balance as at 31st March, 2017	(106.00)	3,273.56	(8,053.50)	(4,885.94)
(Loss) for the year	-	-	(1,692.72)	(1,692.72)
Remeasurement of defined benefit plans.	-	-	(1.37)	(1.37)
Total Comprehensive (Loss) for the year	(106.00)	3,273.56	(9,747.59)	(6,580.03)
Balance as at 31st March, 2018	(106.00)	3,273.56	(9,747.59)	(6,580.03)

The accompanying notes are integral part of the financial statements.

In terms of our report attached

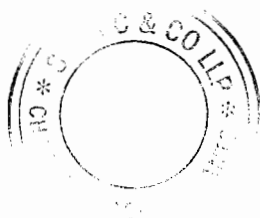
For S R B C & Co LLP

Firm Registration No. 324982E/E300003

Chartered Accountants

per RAJ AGRAWAL  
PARTNER

Membership No. 82028



For and on behalf of the Board of Directors

RAJIVKUMAR RUSTAGI  
DIRECTOR  
DIN : 07193069

JAYADEB NANDA  
DIRECTOR  
DIN : 06578925

SANDEEP JAIN  
CHIEF FINANCIAL OFFICER

GAURAV VESASI  
COMPANY SECRETARY

Place : Ahmedabad  
Date : 2nd May, 2018

Place : Ahmedabad  
Date : 2nd May, 2018

**ADANI POWER (MUNDRA) LIMITED**  
(Previously known as Adani Power (Karnataka) Limited)  
**Statement of Cash Flow for the year ended 31st March, 2018**

**adani™**

All amounts are in ₹ Crores, unless otherwise stated

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>(A) Cash flow from operating activities</b>		
Loss before tax	(1,692.72)	(5,617.18)
Adjustment for:		
Depreciation and Amortisation Expense	1,103.62	1,079.00
Unrealised Gain on foreign exchange fluctuation	(93.41)	(253.77)
Income from Mutual Funds	(4.37)	(1.84)
Loss on Sale / Retirement of Property, plant and equipment (Net)	10.64	7.00
Government Grant Income	(180.13)	(171.12)
Finance Costs	2,273.99	2,345.11
Interest income	(17.61)	(22.25)
Exceptional Items (Refer note 31(i))	-	3,619.49
Operating profit before working capital changes	<b>1,400.01</b>	<b>984.44</b>
<b>Changes in working capital:</b>		
Decrease / (Increase) in Inventories	787.62	(252.80)
Decrease / (Increase) in Trade Receivables	481.57	(303.46)
(Increase) in Other Assets	(308.70)	(145.17)
(Decrease) / Increase in Trade Payables	(103.72)	807.64
Increase / (Decrease) in Other Liabilities and Provisions	209.14	(1,927.08)
	<b>1,065.91</b>	<b>(1,820.87)</b>
Cash generated from / (used in) operations	<b>2,465.92</b>	<b>(836.43)</b>
Less : Tax Paid (Net)	(3.60)	(0.56)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>2,462.32</b>	<b>(836.99)</b>
<b>(B) Cash flow from investing activities</b>		
Capital expenditure on Property, Plant and Equipment, including capital advances and capital work-in-progress	(388.78)	(591.90)
Proceeds from Sale of Property, Plant and Equipment	0.09	5.61
Proceeds from Sale of Current Investments (Net)	4.37	1.84
Bank deposits / margin money (Placed) / Withdrawn (Net)	(28.25)	93.49
Interest received	18.54	18.82
<b>Net cash (used in) investing activities (B)</b>	<b>(394.03)</b>	<b>(472.14)</b>
<b>(C) Cash flow from financing activities</b>		
Proceeds from Non Current borrowings	666.89	6,232.12
Repayment of Non Current borrowings	(2,353.23)	(3,847.97)
Proceeds from Current borrowings (Net)	1,358.09	623.04
Finance Costs Paid	(1,787.97)	(1,651.89)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(2,116.22)</b>	<b>1,355.30</b>
<b>Net (decrease) / increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>(47.93)</b>	<b>46.17</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>52.53</b>	<b>6.36</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4.60</b>	<b>52.53</b>
<b>Notes to Cash flow Statement :</b>		
<b>Cash and cash equivalents as per above comprise of the following :</b>		
Cash and cash equivalents (Refer note 9)	4.60	52.53
<b>Balances as per statement of cash flows</b>	<b>4.60</b>	<b>52.53</b>



**ADANI POWER (MUNDRA) LIMITED****(Previously known as Adani Power (Karnataka) Limited)****Statement of Cash Flow for the year ended 31st March, 2018****All amounts are in ₹ Crores, unless otherwise stated****1. Non cash items :**

- i) During the year, the Company has refinanced long-term borrowings of ₹ 783.00 Crores (Previous year - ₹ 712.00 Crores).
- ii) During the year, interest of ₹ 12.18 Crores (Previous year - ₹ 4.27 Crores) on Inter Corporate Deposits ("ICD") taken from related parties, has been added to the ICD balances as on reporting date.
- iii) Pursuant to the Scheme of arrangement, Adani Power Limited transferred the balances of assets, liabilities and components of reserves and surplus (including accumulated losses) pertaining to De-merged Undertaking, at their respective book values to the Company and the consideration for slump exchange amounting to ₹ 106.00 Crores was paid by the Company through issue of equity shares (Previous year - ₹ Nil). (Also refer note 45)
2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.
3. As per the recent amendment by MCA in "Ind AS 7 Statement of Cash flows : Disclosure initiative" effective from 1st April, 2017, disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

(₹ in crores)

Particulars	As at 1st April, 2017	Net Cash Flows	Foreign exchange management	Changes in fair values	Others	As at 31st March, 2018
Non Current borrowings	18,179.63	(1,686.34)	(193.21)	25.01	75.00	16,400.09
Current borrowings	3,592.16	1,358.09	(34.08)	-	(62.82)	4,853.35
Derivatives	288.78	(288.78)	-	1.44	-	1.44
Interest Accrued	484.15	486.45	-	-	(12.18)	958.42
<b>Total</b>	<b>22,544.72</b>	<b>(130.58)</b>	<b>(227.29)</b>	<b>26.45</b>	<b>-</b>	<b>22,213.30</b>

The accompanying notes are integral part of the financial statements.

**In terms of our report attached****For S R B C & Co LLP**

Firm Registration No. 324982E/E300003

**Chartered Accountants**per **RAJ AGRAWAL**  
PARTNER

Membership No. 82028

**For and on behalf of the Board of Directors****RAJIVKUMAR RUSTAGI**  
DIRECTOR  
DIN : 07193069**SANDEEP JAIN**  
CHIEF FINANCIAL OFFICER**JAYADEB NANDA**  
DIRECTOR  
DIN : 06578925**GAURAV VESASI**  
COMPANY SECRETARYPlace : Ahmedabad  
Date : 2nd May, 2018Place : Ahmedabad  
Date : 2nd May, 2018

**1 Corporate information**

Adani Power (Mundra) Limited (Previously known as Adani Power (Karnataka) Limited, name changed with effect from 27th April, 2017) is domiciled in India and incorporated on 16th February, 2015 under the provisions of the Companies Act as applicable in India having its registered office at Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India to carry on the business of generation and supply of Power. The Company is subsidiary of Adani Power Limited ("Parent Company"), which together with its other subsidiaries (together referred as "the Group") currently has multiple power projects located at various locations with a combined installed and fully commissioned capacity of 10480 MW. The Company intends to sell the power generated from 4620 MW Power projects under a combination of long term power Purchase Agreements (PPAs) and on Merchant basis.

The Company owns and operates 4620 MW power plant comprising of 9 units (4 units of 330 MW each and 5 units of 660 MW each) at Mundra in the The Company gets synergic benefits of the integrated value chain of Adani Group.

The financial statements were authorised for issue in accordance with a resolution of the directors on 2nd May, 2018.

**2 Significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with section 133 of Companies Act, 2013, on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

In addition, the financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

**2.2 Summary of significant accounting policies**

**a Property, plant and equipment**

Property, plant and equipment are stated at original cost grossed up with the amount of tax / duty benefits availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset.

Depreciation is recognised based on the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed with schedule II to the Companies Act, 2013 except in case of power generation plant assets, where the life has been estimated at 25 years based on technical assessment, taking into account the nature of assets, the estimated usage of the assets, the operating condition of the assets, anticipated technical changes, manufacturer warranties and maintenance support. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Subsequent costs are depreciated over the residual life of the respective assets.

**b Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. The Company has Intangible asset in the nature of Computer Software having useful life of 5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**c Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition and the sale is highly probable. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

**d 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.

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 statement of profit or loss.

**e Financial assets**

**Initial recognition and measurement**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis i.e. the date that the Company commits to purchase or sell the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place.

**Subsequent measurement**

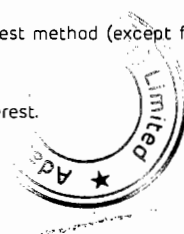
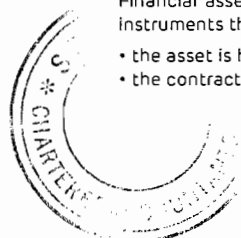
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

**Classification of financial assets**

**Financial assets at amortised cost**

Financial assets that meet the following conditions are subsequently measured at amortised cost using effective interest method (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest.



For the impairment policy on financial assets measured at amortised cost, refer note v(ii).

The effective interest method is a method of calculating the amortised cost of financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other Income" line item.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value. The fair value movement or remeasurement are recognised in other comprehensive income (OCI).

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the asset that give rise on specified dates to cash flows that represent solely payment of principal and interest.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at Fair Value through Profit and Loss (FVTPL). Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other Income" line item.

**Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or when it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received / receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**f Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities**

All financial liabilities are recognised initially at fair value and in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at fair value through profit or loss (FVTPL)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

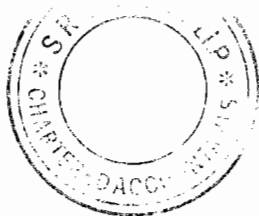
Fair values are determined in the manner described in note 'm'.

**Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and costs paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost. Similarly, interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate method. Trade credits includes Buyer's credit.



**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**g Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivatives financial instruments are disclosed in note 36.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

**Embedded derivatives**

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. These embedded derivatives are measured at fair value with changes recognised in profit and loss.

**h Inventories**

Inventories are stated at the lower of cost or net realisable value. Costs include all non-refundable duties and all charges incurred in bringing the goods to their present location and condition. Cost is determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of power generation and costs necessary to make the sale.

**i Cash and cash equivalents**

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of 3 months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of bank balances which are unrestricted for withdrawal and usage.

**j Business combinations**

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred and liabilities incurred by the Company to the former owners of the acquire and the equity interest issued by the Company in exchange of control of the acquire. Acquisition related costs are added to the cost of investment.

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method the assets and liabilities of the combining entities / business are reflected at their carrying value.

Purchase consideration paid in excess/shortfall of the fair value of identifiable assets and liabilities including contingent liabilities and contingent assets, is recognised as goodwill/capital reserve respectively, except in case where different accounting treatment specified in the court approved scheme.

Deferred tax assets and liabilities and assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.

**k 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

**l Foreign currency translations**

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. 31st March, 2016 as per the previous GAAP.

**m Fair value measurement**

The Company measures financial instruments, such as, derivative at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

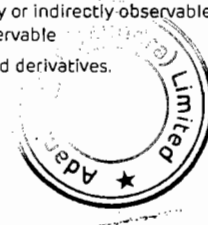
The principal or the most advantageous market must be accessible by the Company.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are involved for valuation of significant assets, such as unquoted financial assets and financial liabilities and derivatives.



At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**n Government grants**

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Where Government grants relates to non-monetary assets, the cost of assets are presented at gross value and grant thereon is recognised as income in the statement of profit and loss over the useful life of the related assets in proportion in which depreciation is charged.

Grants related to income are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

**o Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

**i) Revenue from Power Supply**

Revenue from Power Supply is recognised on the basis of sales to State Distribution Companies and also on the basis of orders of the competent authorities in terms of the Power Purchase Agreements (PPA) or on the basis of sales under merchant trading based on the contracted rates, as the case may be. Such Revenue is measured at the value of the consideration received or receivable, net of trade / cash discounts if any.

**ii) Sale of other goods**

Revenue from the sale of other goods (including coal) is recognised as per the contracted price when the significant risks and rewards have been transferred to the buyer. Such revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company.

**iii) Interest income is recognised on time proportion basis at the effective interest rate ("EIR") applicable.**

**iv) Dividend income from investments is recognised when the Company's right to receive payment has been established which is generally when shareholder approve the dividend, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.**

**v) Delayed payment charges and interest on delayed payment for power supply are recognised on reasonable certainty to expect ultimate collection.**

**p Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of the asset, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

**q Employee benefits**

**i) Defined benefit plans:**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. 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.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Remeasurements, comprising of actuarial gains and losses, the effect of changes to the asset ceiling (excluding amounts included in net interest or the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with corresponding debit or credit to retained earnings through OCI in the period in which it occurs. Remeasurements are not classified to profit and loss in subsequent periods. Past service cost is recognised in profit and loss in the period of a plan amendment.

**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 statement of profit and loss for the period in which the contributions to the respective funds accrue as per relevant statutes.

**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 as at the reporting date.

**iv) Short term employee benefits:**

These are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

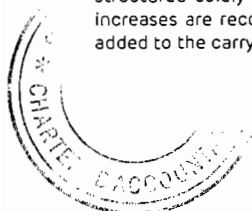
**r Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessor**

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



**The Company as lessee**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

Rental expense from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**s Taxes on Income**

Tax on Income comprises current tax and deferred tax. These are recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**Current tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date. Deferred tax liabilities are generally recognised for all taxable temporary differences except when the deferred tax liability arises at the time of transaction that affects neither the accounting profit or loss nor taxable profit or loss. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carry forward of unused tax credit and unused tax losses can be utilised, except when the deferred tax asset relating to temporary differences arising at the time of transaction that affects neither the accounting profit or loss nor the taxable profit or loss. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

**t 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 by weighted average number of shares plus dilutive potential equity shares.

**u Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position. (Refer note 33)

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.



**v Impairment**

**i) Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The Company bases its impairment calculation on detailed budget and forecast calculations, which are prepared separately for each of the Company's cash-generating unit's to which the individual assets are allocated. These budget and forecast calculations generally cover a period. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budget / forecasts, the Company estimates cash flow projections based on estimated growth rate.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**ii) Impairment of Financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

**3 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Key Sources of estimation uncertainty :**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**i) Useful lives of property, plant and equipment**

In case of the power plant assets, in whose case the life of the assets has been estimated at 25 years 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, depreciation on the same is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

**ii) Fair value measurement of financial instruments**

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 38.



**iii) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in note 43.

**iv) Impairment**

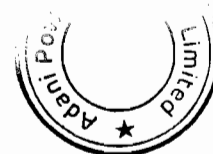
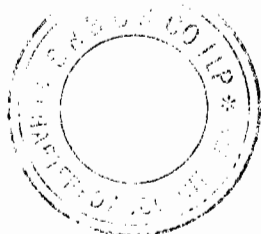
Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the Power Plants. Further, the cash flow projections are based on estimates and assumptions relating to tariff, operational performance of the Plants, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management. (Refer note 35)

**v) Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961. Deferred tax assets is recognised to the extent of the corresponding deferred tax liability. (Refer note 19)

**vi) Revenue**

Revenue from operations on account of force majeure / change in law events in terms of Power Purchase Agreements with various State Power Distribution Utilities in some cases is accounted for by the Company based on best estimates including orders / reports of Regulatory Authorities, which may be subject to adjustments on receipt of final orders of the respective Regulatory Authorities.



4. Property, Plant and Equipment and Capital Work-in-Progress (Also refer note 45)

Description of Assets	Tangible Assets							Capital Work-In-Progress
	Buildings	Computer Hardware	Office Equipment	Plant & Machineries (Refer note (ii))	Railway Siding	Furniture and Fixtures	Vehicles	Total
<b>I. Cost</b>								
Balance as at 1st April, 2016	471.24	0.58	0.04	24,209.36	4.50	0.18	0.02	24,685.92
Additions	4.90	-	-	99.95	-	-	-	104.85
Effect of foreign currency exchange differences	-	-	-	(51.34)	-	-	-	(51.34)
Disposals / Transfers	-	-	-	15.56	-	-	-	15.56
Balance as at 31st March, 2017	476.14	0.58	0.04	24,242.41	4.50	0.18	0.02	24,723.87
Additions	0.28	0.21	-	249.69	-	-	-	250.18
Effect of foreign currency exchange differences	-	-	-	6.03	-	-	-	6.03
Disposals / Transfers	-	-	-	14.12	-	-	-	14.12
Balance as at 31st March, 2018	476.42	0.79	0.04	24,484.01	4.50	0.18	0.02	24,965.96
<b>II. Accumulated depreciation and impairment</b>								
Balance as at 1st April, 2016	15.23	0.20	0.03	1,594.86	0.43	0.02	*	1,610.77
Depreciation expense	15.53	0.19	-	1,062.83	0.43	0.02	*	1,079.00
Disposals / transfers	-	-	-	2.96	-	-	-	2.96
Balance as at 31st March, 2017	30.76	0.39	0.03	2,654.73	0.86	0.04	*	2,686.81
Depreciation expense	15.62	0.14	-	1,087.41	0.43	0.02	-	1,103.62
Disposals / transfers	-	-	-	3.38	-	-	-	3.38
Balance as at 31st March, 2018	46.38	0.53	0.03	3,738.76	1.29	0.06	-	3,787.05

Carrying amount of Property, Plant and Equipment and Capital Work-in-Progress

Description of Assets	Tangible Assets					Capital work-in-progress
	Buildings	Computer Hardware	Office Equipment	Plant & Machineries	Railway Siding	Total
Carrying Amount:						
As at 31st March, 2017	445.38	0.19	0.01	21,587.68	3.64	22,037.06
As at 31st March, 2018	430.04	0.26	0.01	20,745.25	3.21	21,178.91

(\* Figures below ₹ 50,000)

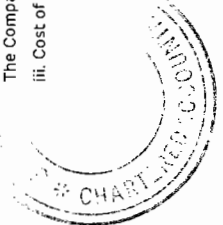
i. For charges created on the aforesaid assets, Refer note 16.1 and 21.

ii. The Company has availed tax and duty benefit in the nature of exemptions from Custom Duty, Excise Duty, Service Tax, VAT and CST on its project procurements with respect to its power plant located at Mundra, Gujarat. The said benefits were availed by virtue of SEZ approval granted to the Company in December 2006, in terms of the provisions of the Special Economic Zones Act, 2005 (hereinafter referred to as the 'SEZ Act') and the Special Economic Zone Rules, 2006 which entitled the plant to procure goods and services without payment of taxes and duties as referred above. Addition during the year includes government grant of ₹ 139.50 Crores.

Since, the procurement of goods and services during the project period were done by availing the exemption from payment of aforesaid taxes and duties, the amount capitalised for the said power plant as on the put to use date, is cost of property, plant and equipment (PPE) net off tax and duty benefit availed. In compliance with Ind AS 20 - "Government Grant", the Company has grossed up the value of its PPE by the amount of tax and duty benefit availed by the Company after considering the same as government grant. The amount of said government grant (net off accumulated depreciation) as on the transition date has been added to the value of PPE with corresponding credit made to the deferred government grant. The amount of grant shall be depreciated as per useful life of PPE along with depreciation on PPE. The amount of deferred liability shall be amortised over the useful life of the PPE with credit to statement of profit and loss under the head 'Other Operating Income'.

The Company has recognised Government grant (net of depreciation) of ₹ 3,381.14 Crores till 31st March, 2018. (Previous year - ₹ 3,421.77 Crores)

iii. Cost of the Property, Plant and Equipment includes carrying value recognised as deemed cost as of 1st April, 2015, measured as per previous GAAP and cost of subsequent additions.



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5 Other Non Current Financial Assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good) (Also refer note 45)		
Balances held as Margin Money or security against borrowings	-	7.66
(Refer note 16 and 21)		
Security Deposits	1.82	4.14
<b>Total</b>	<b>1.82</b>	<b>11.80</b>

**Note:**

The fair value of Other Non-current Financial Assets is not materially different from the carrying value presented.

6 Other Non-current Assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good) (Also refer note 45)		
Capital advances	98.85	100.13
Advance income tax ((Net of Provision ₹ Nil) Previous year - ₹ Nil)	4.16	0.56
Advances for goods and services	1.78	2.57
Prepayments under operating lease arrangements	152.45	163.22
<b>Total</b>	<b>257.24</b>	<b>266.48</b>

7 Inventories	As at 31st March, 2018	As at 31st March, 2017
(At lower of weighted average cost or net realisable value) (Also refer note 45)		
Fuel (Includes in transit ₹ Nil) (Previous year - ₹ 455.04 Crores)	77.20	797.03
Stores & spares	217.35	285.14
<b>Total</b>	<b>294.55</b>	<b>1,082.17</b>

**Note:**

i. For charge created on inventories, refer note 16.1 and 21.

ii. For fuel consumption, refer statement of profit and loss account and for stores spares, consumption refer Other Expense note 30.

8 Trade Receivables	As at 31st March, 2018	As at 31st March, 2017
Unsecured, considered good (Also refer note 45)	1,212.30	1,693.87
<b>Total</b>	<b>1,212.30</b>	<b>1,693.87</b>

**Notes :**

i) For charges created on receivables, Refer note 16.1 and 21.

**ii) Credit concentration**

As at 31st March 2018, Out of the total trade receivables, 96% pertains to dues from State Distribution Companies under Long Term Power Purchase Agreements ("PPAs"), 3% from related parties for sale of materials and remaining from others.

**iii) Expected Credit Loss (ECL)**

The Company is having majority of receivables from State Electricity Distribution Companies which are Government undertakings and related parties. The Company is regularly receiving its normal power sale dues from its customers including Discoms and in case of any disputed amount not being received; the same is recognised on conservative basis which carries interest as per the terms of agreements. Hence they are secured from credit losses in the future.

iv) The fair value of Trade receivables is not materially different from the carrying value presented.

9 Cash and Cash equivalents	As at 31st March, 2018	As at 31st March, 2017
Balances with banks (Also refer note 45)		
In current accounts (Refer note (i) Below)	4.60	52.53
<b>Total</b>	<b>4.60</b>	<b>52.53</b>

**Note :**

i. For charges created on bank balances, Refer note 16.1 and 21.



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	As at 31st March, 2018	As at 31st March, 2017
<b>10 Bank balances (other than Cash and Cash equivalents)</b>		
Balances held as Margin Money (Refer note (i) Below) (Also refer note 45)	320.97	285.06
<b>Total</b>	<b>320.97</b>	<b>285.06</b>

**Note:**

- For charges created on Bank balances (other than cash and cash equivalents), Refer note 16.1 and 21.
- The fair value of Bank balances (other than cash and cash equivalents) is not materially different from the carrying value presented.

	As at 31st March, 2018	As at 31st March, 2017
<b>11 Current Loans</b>		
(Unsecured, considered good) (Also refer note 45)		
Loans to employees	0.91	0.91
<b>Total</b>	<b>0.91</b>	<b>0.91</b>

**Note:**

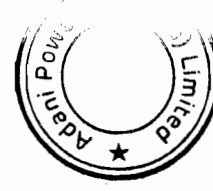
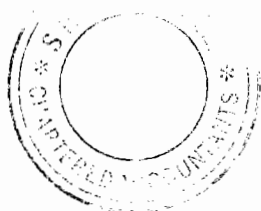
The fair value of Loans is not materially different from the carrying value presented.

	As at 31st March, 2018	As at 31st March, 2017
<b>12 Other Current Financial Assets</b>		
(Unsecured, considered good) (Also refer note 45)		
Interest receivable	2.50	3.43
Unbilled Revenue	470.06	215.98
Derivatives not designated as hedges (Refer note (ii) below)	20.09	-
Security deposits	14.21	16.69
Forward Cover Receivables	0.71	-
Other receivables	9.98	10.02
<b>Total</b>	<b>517.55</b>	<b>246.12</b>

**Note:**

- The fair value of Other Current Financial Liabilities is not materially different from the carrying value presented except for Derivatives not designated as hedges (Also refer note 38).
- Includes options amounting to ₹ 14.16 Crores (Previous year - ₹ Nil) and Forward Covers amounting to ₹ 5.93 Crores (Previous year - ₹ Nil)

	As at 31st March, 2018	As at 31st March, 2017
<b>13 Other Current Assets</b>		
(Unsecured, considered good) (Also refer note 45)		
Advances for goods and services	113.81	163.22
Balances with Government authorities	212.19	98.73
Prepayments under operating lease arrangements	10.74	10.71
Prepaid expenses	20.81	13.66
Advance to Employees	0.52	0.73
<b>Total</b>	<b>358.07</b>	<b>287.05</b>



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14 Equity Share Capital	As at 31st March, 2018	As at 31st March, 2017
Authorised Share Capital 3,500,000,000 (Previous year - 50,000) equity shares of ₹ 10 each	3,500.00	0.05
	<b>3,500.00</b>	<b>0.05</b>
<b>Total</b>		
Issued, Subscribed and Fully paid-up equity shares 106,050,000 (Previous year - 50,000) equity shares of ₹ 10 each	106.05	0.05
Shares pending to be issued on account of scheme of arrangement 106,000,000 equity shares of ₹ 10 each	-	106.00
<b>Total</b>	<b>106.05</b>	<b>106.05</b>

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

**Equity Shares**

	As at 31st March, 2018		As at 31st March, 2017	
	No. Shares	Amount	No. Shares	Amount
At the beginning of the year *	10,60,50,000	106.05	50,000.00	0.05
<b>Issued during the year :</b>				
Shares pending to be issued on account of scheme of arrangement	-	-	106,000,000	106.00
<b>Outstanding at the end of the year</b>	<b>10,60,50,000</b>	<b>106.05</b>	<b>10,60,50,000</b>	<b>106.05</b>

\* Company has issued and allotted 10,60,00,000 fully paid up equity shares of ₹ 10 each during the year on account of scheme of arrangement. (Also refer note 45)

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

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

**c. Shares held by parent company**

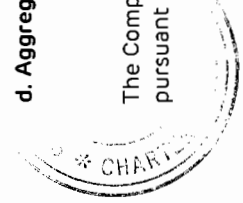
Out of equity shares issued by the Company, shares held by its parent company are as under :

	As at 31st March, 2018	As at 31st March, 2017
Adani Power Limited 10,60,49,500 (Previous year - 49,500) equity shares of ₹ 10 each fully paid	106.05	0.05

**d. Aggregate number of shares issued other than cash, during the period of five years immediately preceding the reporting date**

	As at 31st March, 2018	As at 31st March, 2017
	106.00	Nil

The Company has issued and allotted fully paid up equity shares of ₹ 10 Each, to Adani Power Limited pursuant to scheme of arrangement.



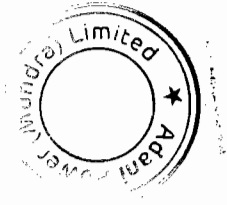
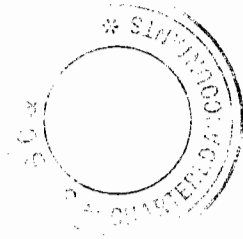
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e. Details of shareholders holding more than 5% shares in the Company

As at 31st March, 2018		As at 31st March, 2017	
No. Shares	% holding in the class	No. Shares	% holding in the class
106,049,500	99.995%	49,500	99.00%
<b>106,049,500</b>	<b>99.995%</b>	<b>49,500</b>	<b>99.00%</b>

Equity shares of ₹ 10 each fully paid  
Adani Power Limited (Parent Company)



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**15 Other Equity**

Capital Reserve (Refer note (i) below and Note 45)  
Securities Premium Account (Refer note (ii) below and Note 45)  
Retained earnings (Refer note (iii) below and Note 45)

**Total**

As at 31st March, 2018	As at 31st March, 2017
(106.00)	(106.00)
3,273.56	3,273.56
(9,747.59)	(8,053.50)
<b>(6,580.03)</b>	<b>(4,885.94)</b>

**15.1 Capital Reserve**

Opening Balance (Refer note (i) below)  
Add : Addition on account of Scheme of Arrangement (Refer note 45)  
Closing Balance

As at 31st March, 2018	As at 31st March, 2017
(106.00)	-
-	(106.00)
<b>(106.00)</b>	<b>(106.00)</b>

**15.2 Securities Premium Account**

Opening Balance (Refer note (ii) below)  
Add : Addition on account of Scheme of Arrangement (Refer note 45)  
Closing Balance

As at 31st March, 2018	As at 31st March, 2017
3,273.56	-
-	3,273.56
<b>3,273.56</b>	<b>3,273.56</b>

**15.3 Retained earnings**

Opening Balance (Refer note (iii) below)  
Add : (Loss) / Profit for the year (Refer note 45)  
Add : Remeasurement of defined benefit plans, (net of tax)  
Closing Balance

As at 31st March, 2018	As at 31st March, 2017
(8,053.50)	(2,437.95)
(1,692.72)	(5,617.18)
(1.37)	1.63
<b>(9,747.59)</b>	<b>(8,053.50)</b>

i) The National Company Law Tribunal ('NCLT') had sanctioned the Scheme of Arrangement ("Scheme") for the transfer of Adani Power Limited's 4620 MW thermal power undertaking at Mundra into the Company, on a slump exchange basis from appointed date of 31st March, 2017. The said Scheme has been made effective on 22nd December, 2017 upon receipt of all the requisite approvals. Further, as per the Scheme, the balances of assets, liabilities, components of reserves and surplus relating to Mundra Power Undertaking are transferred to the Company and the consideration for slump exchange amounting to ₹ 106 Crores has been debited to Capital Reserve.

ii) During previous year, Securities premium reserve of ₹ 3273.56 Crores was received on account of Scheme of Arrangement (Scheme) under sections 230-232 of the Companies Act, 2013, for the transfer of Adani Power Limited's (Holding Company) 4620 MW thermal power undertaking at Mundra into the Company, on a slump exchange basis from the appointed date of 31st March, 2017. The reserve is available for utilisation in accordance with the provisions of the companies Act, 2013.

iii) During previous year, Retained earning of ₹ (2,437.94) Crores was received on account of Scheme of Arrangement (Scheme) under sections 230-232 of the Companies Act, 2013, for the transfer of Adani Power Limited's (Holding Company) 4620 MW thermal power undertaking at Mundra into the Company, on a slump exchange basis from the appointed date of 31st March,

Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends are distributed on account of accumulated losses by the Company.



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**16 Non Current Borrowings**  
**(Also refer note 45)**

**Secured borrowings - at amortised cost**

**Term Loans**

From Banks (Refer note 1(a) and (b) below)

From Financial Institutions (Refer note 1(a) below)

**Unsecured borrowings - at amortised cost**

9.40% Non-Convertible Debentures

10.48% Non-Convertible Debentures

10.30% Non-Convertible Debentures

10.70% Non-Convertible Debentures

9.25% Non-Convertible Debentures

10.50% Non Convertible Debentures

9.00% Non Convertible Debentures

9.07% Non Convertible Debentures

**Term Loans**

From Banks

From Financial Institutions

**Total**

Amount disclosed under the head other current financial liabilities (Refer note 23)

	As at 31st March, 2018		As at 31st March, 2017	
	Non-Current	Current	Non-Current	Current
From Banks (Refer note 1(a) and (b) below)	9,517.68	1,530.49	10,746.50	1,287.03
From Financial Institutions (Refer note 1(a) below)	1,267.11	89.74	1,338.88	71.77
<b>10,784.79</b>	<b>1,620.23</b>	<b>12,085.38</b>	<b>1,358.80</b>	
9.40% Non-Convertible Debentures	150.00	-	-	-
10.48% Non-Convertible Debentures	748.92	-	748.23	-
10.30% Non-Convertible Debentures	599.38	-	749.20	-
10.70% Non-Convertible Debentures	406.52	-	449.33	-
9.25% Non-Convertible Debentures	485.15	-	-	-
10.50% Non Convertible Debentures	729.42	800.00	1,529.00	-
9.00% Non Convertible Debentures	-	-	300.00	-
9.07% Non Convertible Debentures	-	-	275.00	-
From Banks	-	-	133.72	53.43
From Financial Institutions	75.50	0.17	-	497.53
<b>3,194.89</b>	<b>800.17</b>	<b>4,184.48</b>	<b>550.96</b>	
<b>13,979.68</b>	<b>2,420.40</b>	<b>16,269.86</b>	<b>1,909.76</b>	
-	(2,420.40)	-	(1,909.76)	
<b>13,979.68</b>	<b>-</b>	<b>16,269.86</b>	<b>-</b>	

**Notes:**

**1. The security details for the balances as at 31st March, 2018 :**

a. Rupee Term Loans from Banks aggregating to ₹ 8,860.24 Crores (Previous year - ₹ 9,181.07 Crores ), Rupee Term Loans from Financial Institutions aggregating to ₹ 1,358.44 Crores (Previous year - ₹ 1,412.34 Crores) and Foreign Currency Loans from Banks aggregating to ₹ 2,252.30 Crores (Previous Year - ₹ 2,938.88 Crores ) are secured by first charge on all immovable, movable assets and leasehold land (Refer note 6 and 13) of the Company on paripassu basis. (Also refer note 4).

b. Rupee Term Loans from Banks and Trade credits aggregating to ₹ 9,092.75 Crores (Previous year - ₹ 9762.18 Crores) are further secured by pledge of 794,749,709 Equity Shares held by S.B. Adani Family Trust as First charge. Further, the Company is in the process to pledge 10,60,00,000 equity shares of the Company held by Adani Power Limited (Holding Company).

**2. Repayment schedule for the balances as at 31st March, 2018 :**

a. The secured term loans from banks aggregating to ₹ 6,298.39 Crores (Previous year - ₹ 7,432.23 Crores) are repayable over a period of next 8.5 years on quarterly to yearly basis from FY 2018-19 to FY 2026-27.

b. The secured term loans from banks aggregating to ₹ 4814.15 Crores (Previous year - ₹ 5,005.23 Crores) and from Financial Institutions aggregating to ₹ 1,358.44 Crores (Previous year - ₹ 1,412.34 Crores) respectively are repayable over a period of next 15 years on quarterly to yearly basis from FY 2018-19 to FY 2032-33.

c. Unsecured term loans from banks and Financial Institutions of ₹ 75.00 Crores (Previous year - ₹ 690.91 Crores) is repayable over a period of 17 Months from FY 2018-19 to FY 2019-20.

d. 9.00% Non Convertible debentures of ₹ NIL (Previous year - ₹ 300 Crores ) are repaid during the year.

e. 9.07% Non Convertible debentures of ₹ NIL (Previous year - ₹ 275 Crores ) are repaid during the year.



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**16 Non Current Borrowings (Contd.)**

f. 10.30% Non Convertible debentures of ₹ 600 Crores (Previous year - ₹ 750 Crores) are redeemable on due date after 13 months in FY 2019-20.

g. Out of 10.50% Non Convertible debentures of ₹ 1,200 Crores (Previous year - ₹ 1,200 Crores), ₹ 400 Crores are redeemable on due date after 7 months, ₹ 400 Crores are redeemable on due date after 10 months and ₹ 400 Crores are redeemable on due date after 13 months from FY 2018-19 to FY 2019-20.

h. 10.50% Non Convertible debentures of ₹ 330 Crores (Previous year - ₹ 330 Crores) are redeemable on due date after 21 months in FY 2019-20.

i. 10.70% Non Convertible debentures of ₹ 408 Crores (Previous year - ₹ 451 Crores) are redeemable on due date after 13 months in FY 2019-20.

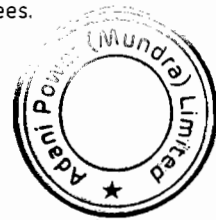
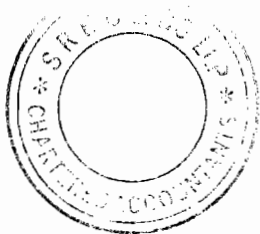
j. Out of 10.48% Non Convertible debentures of ₹ 750 Crores (Previous year - ₹ 750 Crores), ₹ 350 Crores are redeemable on due date after 13 months, ₹ 400 Crores are redeemable on due date after 25 months from FY 2018-19 to FY 2020-21.

k. 9.25% Non Convertible debentures of ₹ 490 Crores (Previous year - ₹ Nil), are redeemable on due date after 13 months in FY 2019-20.

l. 9.40% Non Convertible debentures of ₹ 150 Crores (Previous year - ₹ Nil), are redeemable on due date after 33 months in FY 2019-20.

m. Unsecured term loan from others of ₹ 0.67 Crores (Previous year - ₹ Nil) is repayable over a period of 29 Months from FY 2018-19 to FY 2020-21.

3. The figures given in security details and repayment schedule above are excluding adjustment towards upfront fees.



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17 Other Non Current Financial Liabilities (Also refer note 45)	As at 31st March, 2018	As at 31st March, 2017
Derivatives not designated as hedges (Refer note (ii) Below)	11.97	13.67
<b>Total</b>	<b>11.97</b>	<b>13.67</b>

**Note:**

i. The fair value of Other Non-current Financial Liabilities is not materially different from the carrying value presented except for Derivatives not designated as hedges (also Refer note 38).

ii. Includes Options amounting to ₹ 11.97 Crores as at 31st March, 2018 (Previous year - ₹ 13.67 Crores)

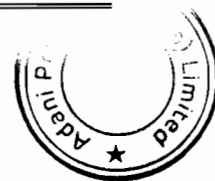
18 Non Current Provisions	As at 31st March, 2018	As at 31st March, 2017
<b>Provision for Employee benefit (Refer note 43 and 45)</b>		
Provision for Gratuity	10.20	-
Provision for Leave Encashment	5.11	4.55
<b>Total</b>	<b>15.31</b>	<b>4.55</b>

19 Deferred Tax Liabilities (Net) (a) Deferred Tax Liabilities (Net)	As at 31st March, 2018	As at 31st March, 2017
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	654.48	-
<b>Gross deferred tax liabilities</b>	<b>654.48</b>	<b>-</b>
<b>Deferred Tax Assets</b>		
Provision for Employee benefits	6.24	-
On unabsorbed depreciation	648.24	-
<b>Gross Deferred Tax Assets</b>	<b>654.48</b>	<b>-</b>
<b>Net Deferred Tax Liabilities</b>	<b>Total (A-B)</b>	<b>-</b>

The Company has recognised deferred tax assets on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

**(b) Movement in deferred tax liabilities (net) for the year ended 31st March, 2018.**

	Opening Balance as at 1st April, 2017	Recognised on account of Scheme of Arrangement	Recognised in other comprehensive income	Closing balance as at 31st March, 2018
<b>Tax effect of items constituting deferred tax liabilities :</b>				
Property, Plant and Equipment	-	654.48	-	654.48
	-	<b>654.48</b>	-	<b>654.48</b>
<b>Tax effect of items constituting deferred tax assets :</b>				
Unabsorbed depreciation	-	648.24	-	648.24
Provision for Employee benefits	-	6.24	-	6.24
	-	<b>654.48</b>	-	<b>654.48</b>
<b>Net Deferred Tax Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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**(c) Movement in deferred tax liabilities (net) for the year ended 31st March, 2017.**

	Opening Balance as at 1st April, 2016	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance as at 31st March, 2017
<b>Tax effect of items constituting deferred tax liabilities :</b>				
	-	-	-	-
<b>Tax effect of items constituting deferred tax assets :</b>				
	-	-	-	-
<b>Net Deferred Tax Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**19.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

	As at 31st March, 2018	As at 31st March, 2017
Unused tax losses (revenue in nature) and unabsorbed depreciation*	1,521.18	-
	<b>1,521.18</b>	<b>-</b>

\* Out of above unused tax losses of ₹ 569.26 Crores will expire in AY 2026-27.

No deferred tax asset has been recognised on the above unutilised tax losses and tax credits as there is no evidence that sufficient taxable profit will be available in the future against which they can be utilised by the Company.

**20 Other Non-current Liabilities**

	As at 31st March, 2018	As at 31st March, 2017
Deferred Government Grant (Refer note 4 (ii) and note 45)	3,200.30	3,250.65
<b>Total</b>	<b>3,200.30</b>	<b>3,250.65</b>

**21 Current Borrowings**

(Also refer note 45)

**Secured Borrowings - at amortised cost**

Loan From Financial Institutions	-	250.00
Trade Credits		
From Banks	2,420.80	2,728.48
	<b>2,420.80</b>	<b>2,978.48</b>

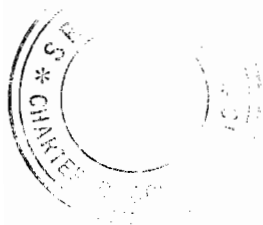
**Unsecured Borrowings - at amortised cost**

8.50% Non Convertible Debentures	-	270.00
Loans From Financial Institutions	17.87	343.68
Loans From Related Parties (Refer note 48)	2,414.68	-
	<b>2,432.55</b>	<b>613.68</b>
<b>Total</b>	<b>4,853.35</b>	<b>3,592.16</b>

**Notes:**

i. Trade Credits for working capital from banks of ₹ 2,420.80 Crores (Previous year - ₹ 2,728.48 Crores) are secured / to be secured by first mortgage and charge on respective immovable and movable assets of the Company.

ii. Loans from Financial Institutions aggregating to ₹ Nil (Previous year - ₹ 250 Crores) are secured / to be secured by second charge on all immovable and movable assets of the Company on paripassu basis & First Charge by way of pledge of 49% paid up equity shares of Udupi Power Corporation Limited, Adani Power Rajasthan Limited and Adani Power Maharashtra Limited.



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	As at 31st March, 2018	As at 31st March, 2017
<b>22 Trade Payables</b>		
(Also refer note 45)		
Acceptances	1,190.84	1,557.22
Other than acceptances	3,418.38	2,952.01
<b>Total</b>	<b>4,609.22</b>	<b>4,509.23</b>

**Notes:**

i) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues (including interest on outstanding 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.

ii) Trade payables mainly include amount payable to coal suppliers and operation and maintenance vendors in whose case credit period allowed is less than 12 months. Company usually opens usance letter of credit in favour of the coal suppliers. Interest is charged by such suppliers for amount unpaid beyond the credit period. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

iii) The fair value of Trade payables is not materially different from the carrying value presented.

	As at 31st March, 2018	As at 31st March, 2017
<b>23 Other Current Financial Liabilities</b>		
(Also refer note 45)		
Current maturities of Non Current borrowings (Refer note 16 )	2,420.40	1,909.76
Interest accrued	958.42	484.15
Payable on purchase of Property, Plant and Equipments (including retention money)	149.60	230.46
Book Overdraft	0.17	-
Derivatives not designated as hedges (Refer note (ii) below)	9.56	275.11
Derivative Payables	4.00	4.44
<b>Total</b>	<b>3,542.15</b>	<b>2,903.92</b>

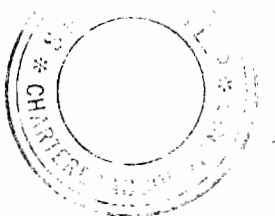
**Notes :**

i. The fair value of Other Current Financial Liabilities is not materially different from the carrying value presented except for Derivatives not designated as hedges (also Refer note 38).

ii. Includes Options amounting to ₹ 8.35 Crores (Previous year - ₹ 152.04 Crores ) and Forward Covers amounting to ₹ 1.21 Crores (Previous year - ₹ 123.07 Crores ).

	As at 31st March, 2018	As at 31st March, 2017
<b>24 Other Current Liabilities</b>		
(Also refer note 45)		
Statutory liabilities	67.00	50.54
Advance from Customers (Refer note 48)	182.06	-
Deferred Government Grant (Refer note 4(ii))	180.84	171.12
Others*	1.02	-
(* Includes security deposits)		
<b>Total</b>	<b>430.92</b>	<b>221.66</b>

	As at 31st March, 2018	As at 31st March, 2017
<b>25 Current Provisions</b>		
<b>Provision for Employee benefit (Refer note 43 and 45)</b>		
Provision for Gratuity	1.05	-
Provision for Leave Encashment	1.48	2.48
<b>Total</b>	<b>2.53</b>	<b>2.48</b>



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	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>26 Revenue from Operations</b> (Also refer note 45)		
Revenue from Power generation and Supply (Refer note (i) and (ii) below and 31(i))	8,193.73	8,883.53
Revenue from Coal Sale	1,304.57	1,704.12
Other Operating Revenue		
Sale of Fly Ash	13.33	24.57
Government grant Income (Refer note 4.1 (ii))	180.13	171.12
<b>Total</b>	<b>9,691.76</b>	<b>10,783.34</b>

(i) Pursuant to the order of the Hon'ble Supreme Court dated 11th April, 2017, the Central Electricity Regulatory Commission ("CERC") was directed to determine the relief under clause 13 of Power Purchase Agreement ("PPA"). Based on the petition filed by Adani Power Limited ("APL") pertaining to 4,620 MW Thermal Power Plant at Mundra which was transferred to Adani Power (Mundra) Limited ("the Company") by virtue of NCLT order as referred in note 45, CERC vide its interim order dated 28th September, 2017, directed that pending the issue of final order, Haryana Utilities shall pay 75% of the relief claimed by the Company, subject to adjustment based on final order. Based on the above order, the Company has recognised ₹ 683.35 Crores (including ₹ 639.67 Crores for the period up to 31st March, 2017) on account of Change in Law during the year ended 31st March, 2018.

(ii) Revenue from operation includes income of ₹ 615.43 Crores for the period up to 31st March 2017, (excluding ₹ 639.67 Crores disclosed in note (i) above) which has been recognized by the Company based on various disputed Change in Laws claims approved during the year by various regulatory authorities such as CERC / APTEL.

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>27 Other Income</b> (Also refer note 45)		
Interest Income (Refer note (i) below)	17.61	22.25
Income from mutual Funds	4.37	1.84
Sale of Scrap	4.46	5.70
Foreign Exchange Fluctuation Gain (net)	-	41.13
Miscellaneous Income (Refer note (ii) below)	29.67	99.75
<b>Total</b>	<b>56.11</b>	<b>170.67</b>

**Note:**

i) Interest income comprises of :

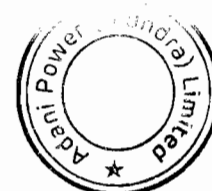
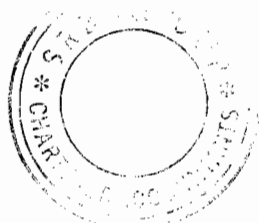
a) Interest income of ₹ 17.59 Crores (previous year ₹ 21.90 Crores) on financial assets carried at amortised cost, which includes interest on fixed deposits with banks ₹ 17.56 Crores (Previous Year ₹ 20.73 Crores), and interest on others ₹ 0.03 Crores (Previous Year ₹ 1.17); and

b) Interest income of ₹ 0.02 Crores (Previous Year ₹ 0.35 Crores) on tax refunds.

ii) Miscellaneous income includes ₹ 0.40 Crores (Previous Year ₹ 76.23 Crores) towards provision no longer required written back.

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>28 Employee Benefits Expenses</b> (Also refer note 45)		
Salaries, Wages and Allowances	111.70	86.36
Contribution to Provident and Other Funds (Refer note 43)	2.39	3.28
Staff Welfare Expenses	6.21	4.70
<b>Total</b>	<b>120.30</b>	<b>94.34</b>

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>29 Finance costs</b> (Also refer note 45)		
<b>(a) Interest Expenses on :</b>		
Loans and Debentures	1,981.92	1,831.51
Trade Credits and Others	138.87	149.32
	<b>2,120.79</b>	<b>1,980.83</b>
<b>(b) Other borrowing costs :</b>		
Loss on Derivatives Contracts	66.78	290.25
Bank Charges and Other Borrowing Costs	57.20	74.03
	<b>123.98</b>	<b>364.28</b>
<b>(c) Net loss on foreign currency transactions and translation (to the extent considered as finance cost)</b>	29.22	-
	<b>29.22</b>	<b>-</b>
<b>Total</b>	<b>2,273.99</b>	<b>2,345.11</b>



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	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>30 Other Expenses</b> (Also refer note 45)		
Transmission Expenses	708.22	549.27
Consumption of Stores and Spares	56.77	85.42
Repairs and Maintenance		
Plant and Equipment	75.86	88.64
Others	16.67	9.37
Operating Lease Rent	20.52	16.34
Rates and Taxes	4.04	64.66
Legal & Professional Expenses	61.44	84.18
Directors' Sitting Fees	0.03	0.07
Payment to Auditors (Refer note 40)	0.32	1.13
Communication Expenses	3.72	4.72
Travelling and Conveyance Expenses	13.82	14.68
Insurance Expenses	22.12	21.31
Office Expenses	1.27	2.05
Bad Debt Written Off	-	0.03
Foreign Exchange Fluctuation Loss (Net)	44.31	-
Loss on Sale / Retirement of Property, Plant and Equipment (Net)	10.64	7.00
Donations	0.22	0.49
Corporate Social Responsibility Expenses (Refer note 44)	-	0.23
Electricity Expenses	1.30	2.55
Miscellaneous Expenses	22.72	24.19
<b>Total</b>	<b>1,063.99</b>	<b>976.33</b>
<b>31 Exceptional Items</b>		
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Reversal of Compensatory Tariff (Refer note (i) below)	-	3,619.49
<b>Total</b>	<b>-</b>	<b>3,619.49</b>

**Notes for the year ended 31st March 2017:**

i) During the previous year, Pursuant to the Central Electricity Regulatory Commission ("CERC") order dated 21st February, 2014, the Company had recognized revenue in the nature of Compensatory Tariff ("CT") of ₹ 3,938.65 crores upto 31st December, 2016 in respect of a long term Power Purchase Agreement ("PPA") (Bid 2) of 1000 MW entered into with Gujarat Urja Vikas Nigam Limited ("GUVNL") and other long term PPAs of 1424 MW entered into with Haryana Utilities. In addition, the Company had also recognized CT of ₹ 426.19 crores upto 31st December, 2016 in respect of another long term PPA (Bid 1) of 1000 MW entered into with GUVNL.

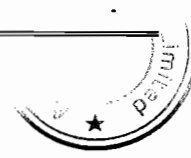
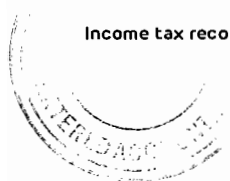
The said order was challenged in the Appellate Tribunal for Electricity ("APTEL"). APTEL vide its order dated 7th April, 2016, had set aside the aforementioned CERC order and had held that the promulgation of Indonesian regulation constitutes Force Majeure event which was contested in the Hon'ble Supreme Court. Hon'ble Supreme Court, vide its order dated 11th April, 2017 has set aside the aforementioned APTEL order and has ruled that the said event is neither Force Majeure nor Change in Law as per the terms of PPA and hence, does not entitle the Company to CT. Consequently, the Company had derecognised its claim on account of CT of ₹ 4,364.84 crores recognized up to 31st December, 2016, out of which, ₹ 3,619.49 crores (recognised upto 31st March, 2016) was shown as an exceptional item and ₹ 745.35 crores (recognised from 1st April, 2016 to 31st December, 2016) had been adjusted from the revenue from operations of previous year.

Further, the aforesaid order of the Hon'ble Supreme Court also held that the non-availability of domestic coal due to change in policy or Change in Law, in force in India, constitutes Change in Law as per the terms of PPA. Hon. Supreme Court directed the CERC to determine the relief under clause 13 of PPA. The Company has filed a petition with CERC to ascertain the relief that may be available to the Company.

**32 Income Tax**

The major components of income tax expense for the year ended 31st March, 2018 and 31st March, 2017 are:

Income Tax Expense :	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Current Tax:</b>		
Current Income Tax Charge	-	-
Adjustments in respect of prior years	-	-
<b>Total (a)</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>		
In respect of current year origination and reversal of temporary differences	-	-
<b>Total (b)</b>	<b>-</b>	<b>-</b>
<b>Total (a+b)</b>	<b>-</b>	<b>-</b>
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>(Loss) / Profit before tax as per Statement of Profit and loss</b>	<b>(1,692.72)</b>	<b>(5,617.11)</b>
<b>Income tax using the company's domestic tax rate @ 34.608%</b>	<b>(585.82)</b>	<b>(1,943.95)</b>
<b>Tax Effect of :</b>		
i) Deferred Tax asset not created on temporary differences / unabsorbed depreciation or carried forward losses	585.82	1,943.95
<b>Income tax recognised in Statement of Profit and Loss at effective rate</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>



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**33 Contingent liabilities and commitments :**

**(a) Contingent liabilities :**  
**(Refer note 45)**

1. Undertaking issued by the Company to Gujarat Urja Vikas Nigam Limited (GUVNL) to repay the amount received from GUVNL towards sales made prior to Scheduled Commercial Operation Date ("SCODs") if Hon'ble Supreme Court gives decision in favour of the GUVNL.

2. Claims against the Company not acknowledged as debts in respect of:

- Service Tax (Refer note (i) below)
- Central Sales Tax (Refer note (ii) below)
- State Sales Tax (Refer note (iii) below)
- Entry Tax (Refer note (iv) below)

**Total**

As at 31st March, 2018	As at 31st March, 2017
135.20	135.20
5.12	5.12
0.02	0.02
3.65	-
5.89	-
<b>149.88</b>	<b>140.34</b>

i) Matter relating to Service Tax for FY 2008-09 is contested at CESTAT.

ii) Matter relating to Central Sales Tax for FY 2010-11 is contested at Appellate authority.

iii) Matters relating to VAT for FY 2010-11 to FY 2012-13 are being contested at Appellate authority.

iv) Matters relating to Entry Tax FY 2012-13 are being contested at Appellate authority.

3. During the year, the Company has received a show cause notice from the Development Commissioner, Mundra for the period FY 2009-10 to FY 2014-15 in relation to custom duty on raw materials used for generation of electricity supplied from SEZ to DTA, which amounts to ₹ 963.94 Crores. The Company has contested the said show cause notice. Further, the management is of the view that such duties on raw material are eligible to be made good to the Company under the PPA with Discoms or are refundable from the Authorities.

**(b) Commitments :**  
**(Refer note 45)**

Estimated amount of contracts remaining to be executed on capital account and not provided for

Upfront Fees

**Total**

As at 31st March, 2018	As at 31st March, 2017
0.47	19.94
13.60	13.60
<b>14.07</b>	<b>33.54</b>

**34** The Company has reported losses of ₹ 1,694.09 Crores and of ₹ 5,615.55 Crores for the year ended March 31, 2018 and March 31, 2017, respectively and as at March 31, 2018, carried forward losses aggregate to ₹ 9,747.59 Crores. Further, as at 31st March, 2018, its current liabilities (including ₹ 6,329.78 Crores to related parties) exceed current assets by ₹ 10,729.22 Crores. The Company has continued to operate 4,620 Mundra Thermal Power Undertaking although its performance has got impacted due to fluctuation in international and domestic coal prices, compensatory tariff / change in law claims for various additional cost components on discoms, etc.

Notwithstanding the above, the financial results of the Company have been prepared on a going concern basis as the management believes that over the foreseeable future, the Company would be able to establish profitable operations and meet its financial obligations based on continued support from various stakeholders including parent company, lenders, trade creditors as well as fellow subsidiaries as may be required to sustain its operations on a going concern basis.

**35** The Company has determined the recoverable amount of the Power Plant under Ind AS 36, Impairment of Assets on the basis of its value in use by estimating the future cash flows over the estimated useful life of the Power Plant. Further, the cash flow projections are based on the estimates relating to tariff, operational performance of the Plant, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management.

On a careful evaluation of the aforesaid factors, the Management of the Company has concluded that the recoverable amount of the Power Plant is higher than their carrying amount as at 31st March, 2018.

**36** The Company has taken various derivatives to hedge its foreign currency exposures. The outstanding position of derivative instruments is as under:  
**(Refer note 45)**

Nature	Purpose	As at 31st March, 2018		As at 31st March, 2017	
		Amount	Foreign Currency (in Million)	Amount	Foreign Currency (in Million)
Forward covers	Hedging of Trade Credits, Acceptances, Creditors and future coal contracts	1,127.72	USD 173.03	2,344.12	USD 361.47
	Hedging of ECB and interest	302.89	USD 46.47	192.60	USD 29.70
Options	Hedging of ECB and interest	906.52	USD 139.09	1,010.44	USD 155.81
	Hedging of Trade Credits, Acceptances, Creditors and interest accrued	3,195.89	USD 490.36	3,092.74	USD 476.91
		<b>5,533.02</b>		<b>6,639.90</b>	

The details of foreign currency exposures not hedged by derivative instruments are as under :

	As at 31st March, 2018		As at 31st March, 2017	
	Amount	Foreign Currency (in Million)	Amount	Foreign Currency (in Million)
1. Import Creditors and Acceptances	279.51	USD 42.89	364.59	USD 56.22 *
	-	-	0.04	EUR 0.01
	0.64	SEK 0.81	0.59	SEK 0.81
2. Loans under trade credits	35.30	USD 5.42	-	-
3. Foreign currency borrowings	1,077.76	USD 165.36	1,751.38	USD 270.07
4. Interest accrued but not due	2.35	USD 0.36	2.59	USD 0.40
5. Other receivables	(0.24)	EUR (0.03)	-	-
	<b>1,395.32</b>		<b>2,119.19</b>	



\* During the previous year, the Company had hedged USD 271.74 million of exposure in the form of firm commitments as at 31st March, 2017 pertaining to future coal imports, however for the purpose of determining unhedged foreign currency exposure of "Import Creditors and Acceptances", forward contracts aggregating to USD 254.23 million had been set off against outstanding amounting to USD 310.45 million towards import creditors and acceptances, as the management of the Company considers that the impact of such exposure on Statement of Profit and Loss due to movement in foreign exchange rates would be effectively offset by such financial hedges.

**37 (i) Financial Risk Management Objective and Policies :**

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

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

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity risk.

**a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuation at the end of the reporting period. The said analysis has been carried out on the amount of floating rate long term liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points on the exposure of Non Current borrowings of ₹ 12,546.65 Crores as on 31st March, 2018 and ₹ 14,540.71 Crores as on 31st March, 2017 respectively and if all other variables were held constant, the Company's profit or loss for the year would increase or decrease as follows (Also refer note 45):

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Impact on Profit or Loss for the year	62.73	72.70

**b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company manages its foreign currency risk by hedging transactions that are expected to realise in future. The Company manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables.

Every one percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S.dollar on the exposure of \$ 27.39 million as on 31st March, 2018 and \$ 22.29 million as on 31st March, 2017, would have affected the Company's profit or loss for the year as follows (Also refer note 45):

Impact of change in USD to INR rate		
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Impact on Profit or Loss for the year	1.79	1.45

**c) Commodity price risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

**Credit risk**

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

The Company is having majority of receivables from State Electricity Boards which are Government undertakings and hence they are secured from credit losses in the future.

**Liquidity risk**

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from lenders, trade creditors as well as fellow subsidiaries and the Parent Company.

The Company has certain dues outstanding for 1-2 days at year end, towards external commercial borrowings of ₹ 2.11 Crores owing to year-end holidays and working capital over drawl of ₹ 668.34 Crores due for the month of February / March 2018, due to various reasons including change in working capital cycle (in terms of regulatory order) which was reduced during the period of the loan.

**Maturity profile of financial liabilities :**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments (Also refer note 45).

As at 31st March, 2018	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	7,273.75	7,464.22	6,515.46	21,253.43
Trade Payables	4,609.22	-	-	4,609.22
Derivative Instruments	9.56	11.97	-	21.53
Other Financial Liabilities	1,112.19	-	-	1,112.19
As at 31st March, 2017	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	5,501.92	9,783.95	6,485.91	21,771.78
Trade Payables	4,509.23	-	-	4,509.23
Derivative Instruments	275.11	13.67	-	288.78
Other Financial Liabilities	719.05	-	-	719.05



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**(ii) Capital management :**

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

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

The funding requirements are met through a mixture of equity, internal fund generation, non-convertible debt securities, and other Non Current borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

**38 Fair Value Measurement :**

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

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total
<b>Financial Assets</b>				
Cash and cash equivalents	-	-	4.60	4.60
Bank balances other than cash and cash equivalents	-	-	320.97	320.97
Trade Receivables	-	-	1,212.30	1,212.30
Loans	-	-	0.91	0.91
Derivative instruments	-	20.09	-	20.09
Other Financial assets	-	-	499.28	499.28
<b>Total</b>	<b>-</b>	<b>20.09</b>	<b>2,038.06</b>	<b>2,058.15</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	21,253.43	21,253.43
Trade Payables	-	-	4,609.22	4,609.22
Derivative instruments	-	21.53	-	21.53
Other Financial Liabilities	-	-	1,112.19	1,112.19
<b>Total</b>	<b>-</b>	<b>21.53</b>	<b>26,974.84</b>	<b>26,996.37</b>

**b) The carrying value of financial instruments by categories as of 31st March, 2017 is as follows :**

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total
<b>Financial Assets</b>				
Cash and cash equivalents	-	-	52.53	52.53
Bank balances other than cash and cash equivalents	-	-	285.06	285.06
Trade Receivables	-	-	1,693.87	1,693.87
Loans	-	-	0.91	0.91
Other financial assets	-	-	257.92	257.92
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,290.29</b>	<b>2,290.29</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	21,771.78	21,771.78
Trade Payables	-	-	4,509.23	4,509.23
Derivative instruments	-	288.78	-	288.78
Other Financial Liabilities	-	-	719.05	719.05
<b>Total</b>	<b>-</b>	<b>288.78</b>	<b>27,000.06</b>	<b>27,288.84</b>

**39 Fair Value hierarchy :**

Particulars	As at 31st March, 2018			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Derivative Instruments	-	20.09	-	20.09
<b>Total</b>	<b>-</b>	<b>20.09</b>	<b>-</b>	<b>20.09</b>
<b>Liabilities</b>				
Derivative Instruments	-	21.53	-	21.53
<b>Total</b>	<b>-</b>	<b>21.53</b>	<b>-</b>	<b>21.53</b>
Particulars	As at 31st March, 2017			Total
	Level 1	Level 2	Level 3	
<b>Liabilities</b>				
Derivative Instruments	-	288.78	-	288.78
<b>Total</b>	<b>-</b>	<b>288.78</b>	<b>-</b>	<b>288.78</b>

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

**40 Payment to auditors**

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Audit fees	0.22	0.87
Fees for certificates and other services	0.09	0.26
Out of Pocket Expenses	0.01	-
	<b>0.32</b>	<b>1.13</b>



**41 Earnings per share**

For the year ended  
31st March, 2018

For the year ended  
31st March, 2017

**Basic and Diluted EPS**

(Loss) attributable to equity shareholders	Amount (₹ in Crores)	(1,692.72)	(5,617.18)
Weighted average number of equity shares outstanding during the year	No	106,050,000	106,050,000
Nominal Value of equity share	₹	10	10
Basic and Diluted EPS	₹	(159.61)	(529.67)

**42** The Company's activities during the year revolve around power generation. Considering the nature of Company's business and operations, as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 – "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

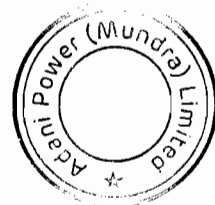
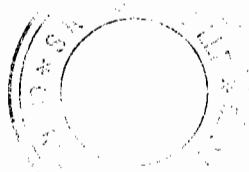
**43** As per Ind AS - 19 "Employee Benefits", the disclosures are given below.

**(a) (i) 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 as required under Ind AS-19 :

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>i. Reconciliation of Opening and Closing Balances of defined benefit obligation</b>		
Present Value of Defined Benefit Obligations at the beginning of the Year	-	-
Current Service Cost	1.82	0.92
Interest Cost	0.56	0.71
Liability Transferred in	7.50	-
Acquisition adjustment	-	-
Benefits paid	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumptions	(0.03)	0.35
change in financial assumptions	(1.39)	(1.78)
experience variance (i.e. Actual experience vs assumptions)	2.79	(0.20)
Present Value of Defined Benefit Obligations at the end of the Year	11.25	-
<b>ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets</b>		
Fair Value of Plan assets at the beginning of the Year	-	-
Expected return on plan assets	-	-
Employer's Contributions	-	-
Employee's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair Value of Plan assets at the end of the Year	-	-
<b>iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets</b>		
Present Value of Defined Benefit Obligations at the end of the Year	11.25	-
Fair Value of Plan assets at the end of the Year	-	-
Net Asset / (Liability) recognised in balance sheet as at the end of the year	(11.25)	-
<b>iv. Gratuity Cost for the Year</b>		
Current service cost	1.82	0.92
Interest cost	0.56	0.71
Expected return on plan assets	-	-
Net Gratuity cost recognised in the statement of Profit and Loss	2.38	1.63
<b>v. Other Comprehensive Income</b>		
Actuarial (gains) / losses		
change in demographic assumptions	(0.03)	0.35
change in financial assumptions	(1.39)	(1.78)
experience variance (i.e. Actual experience vs assumptions)	2.79	(0.20)
others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	1.37	(1.63)
<b>vi. Actuarial Assumptions</b>		
	As at 31st March, 2018	As at 31st March, 2017
Discount Rate (per annum)	7.80%	7.60%
Expected annual Increase in Salary Cost	7.00%	8.00%
Attrition / Withdrawal rate (per annum)	5.24%	5.70%
Mortality Rates as given under Indian Assured Lives Mortality (2006-08) Ultimate Retirement Age 58 Years.		



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**vii. Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have 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	As at 31st March, 2018		As at 31st March, 2017	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)			11.25	-
Discount Rate (- / + 1%)	12.43	10.23	17.36	14.37
(% change compared to base due to sensitivity)	10.6%	(9.00)%	10.2%	(8.70)%
Salary Growth Rate (- / + 1%)	10.22	12.43	14.37	17.34
(% change compared to base due to sensitivity)	(9.10)%	10.5%	(8.80)%	10.1%
Attrition Rate (- / + 50%)	11.04	13.38	15.99	15.56
(% change compared to base due to sensitivity)	-1.8%	1.20 %	1.5%	(1.20)%
Mortality Rate (- / + 10%)	11.24	11.24	15.75	15.75
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

**viii. Asset Liability Matching Strategies**

The Scheme is managed on Unfunded Basis

**ix. Effect of Plan on Entity's Future Cash Flows**

**a) Funding arrangements and Funding Policy**

The Scheme is managed on Unfunded Basis

**b) Expected Contribution during the next annual reporting period**

The Company's best estimate of Contribution during the next year is ₹ Nil.

**c) Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cash flows) - 10 years

Expected cash flows over the next (valued on undiscounted basis):	Amount
1 year	1.05
2 to 5 years	3.98
6 to 10 years	4.09
More than 10 years	20.97

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.

(ix) The actuarial liability for compensated absences as at the year ended 31st March, 2018 is ₹ 6.60 Crores (Previous Year ₹ Nil).

**(b) Defined Contribution Plan**

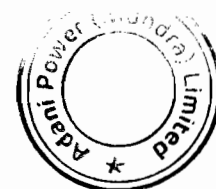
Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under :

	For the year ended 31st March 2018	For the year ended 31st March 2017
Employer's Contribution to Provident Fund	6.64	4.51
Employer's Contribution to Superannuation Fund	0.11	0.08

**44 Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The Company is not required to incur any CSR expense as per the requirement of Section 135 of Companies Act, 2013.

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Gross amount as per the limits of Section 135 of the Companies Act, 2013	-	-
i) Amount contributed	-	-
Construction/acquisition of any assets	-	-
On purpose other than (a) above	-	0.23
<b>Total amount contributed during the year</b>	-	<b>0.23</b>
ii) Amount yet to be contributed	-	-



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**45 Business Combination**

The National Company Law Tribunal ('NCLT') had sanctioned the Scheme of Arrangement (Scheme) under sections 230-232 of the Companies Act, 2013, for the transfer of Adani Power Limited's 4620 MW thermal power undertaking ("Undertaking") at Mundra into the Company, on a slump exchange basis from the appointed date of 31st March, 2017. The undertaking constitutes of 4,620 MW thermal power plant (comprising of 9 units i.e. 4 units of 330 MW each and 5 units of 660 MW each) in multi product Special Economic Zone at Mundra and the allotted Jitpur Coal Block in Jharkhand for the end use of 1 to 6 units i.e. for Phase 1 and Phase 2 and Fuel Supply Agreement ('FSA') of 8.72 MMTPA for the end use of units 7, 8 and 9, i.e. Phase 3.

The scheme has been sanctioned by NCLT through its order dated 3rd November, 2017 and accordingly the aforesaid scheme was made effective on 22nd December, 2017 with appointed date of 31st March, 2017, on receipt of all the requisite approvals. Due to practical difficulties and as a matter of convenience, the effect of the scheme has been given on 31st December, 2017.

Pursuant to the Scheme, Adani Power Limited transferred the balances of assets, liabilities, components of reserves and surplus (including accumulated losses) pertaining to the Undertaking, at their respective book values to the Company and the consideration for slump exchange amounting to ₹ 106 Crores has been debited to Capital Reserve.

Following is the summary of the net assets of the Undertaking as at appointed date of 31st March, 2017, in terms of the Scheme of Arrangement:

Particulars	(₹ in Crores)
<b>Assets</b>	
<b>Non-current Assets</b>	
Property, Plant and Equipment	22,037.06
Capital Work-In-Progress	25.24
Financial Assets	
Other Non-current Financial Assets	11.80
Other Non-current Assets	265.91
<b>Total Non-current Assets</b>	<b>22,340.01</b>
<b>Current Assets</b>	
Inventories	1,082.17
Financial Assets	
Trade Receivables	1,693.87
Cash and Cash Equivalents	52.52
Bank Balances other than above	285.06
Loans	0.91
Other Current Financial Assets	246.12
Other Current Assets	287.05
<b>Total Current Assets</b>	<b>3,647.70</b>
<b>Total Assets (a)</b>	<b>25,987.71</b>
<b>EQUITY AND LIABILITIES</b>	
<b>EQUITY</b>	
Other Equity	(4,779.83)
<b>Total Equity</b>	<b>(4,779.83)</b>
<b>LIABILITIES</b>	
<b>Non-current Liabilities</b>	
Financial Liabilities	
Borrowings	16,269.86
Other Non-current Financial Liabilities	13.67
Provisions	4.55
Other Non-current Liabilities	3,250.65
<b>Total Non-current Liabilities</b>	<b>19,538.73</b>



**ADANI POWER (MUNDRA) LIMITED**  
**(Previously known as Adani Power (Karnataka) Limited)**  
**Balance Sheet as at 31st March, 2018**  
**All amounts are in ₹ Crores, unless otherwise stated**

**adani™**

<b>Current Liabilities</b>	
Financial Liabilities	
Borrowings	3,592.16
Trade Payables	4,509.23
Other Current Financial Liabilities	2,903.28
Other Current Liabilities	221.66
Provisions	2.48
<b>Total Current Liabilities</b>	<b>11,228.81</b>
<b>Total Liabilities</b>	<b>30,767.54</b>
<b>Total Equity and Liabilities (b)</b>	<b>25,987.71</b>

**Net Assets (a-b)**

Consideration paid	106.00
Capital Reserve	(106.00)

Further, following is the summary of the net results of the operations of the Undertaking for the period from appointed date to effective date.

	(₹ in Crores)
	<b>For the period 1st April, 2017 to 31st December, 2017</b>
<b>Particulars</b>	
Revenue from Operations	7,806.20
Other Income	60.38
<b>Total Income</b>	<b>7,866.58</b>
<b>Expenses</b>	
Fuel Cost	4,962.48
Purchases of Stock in Trade	951.83
Employee Benefits Expense	101.43
Finance Costs	1,743.26
Depreciation and Amortisation Expense	820.42
Other Expenses	794.01
<b>Total Expenses</b>	<b>9,373.43</b>
<b>Loss before tax</b>	<b>(1,506.85)</b>

Considering the Scheme of Arrangement between the Company and its Parent Company, the transaction has been accounted for in accordance with the Appendix C to Ind AS 103 "Common Control Business Combination", which requires retroactive accounting of the merger from the date common control was established. Accordingly, financial information of the Company for the year ended March 31, 2017, have been restated to give effect of the aforesaid Scheme of Arrangement.

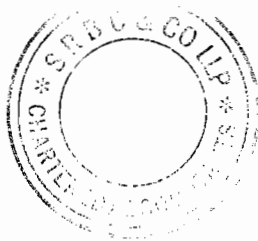
- 46** Pursuant to the Scheme of Arrangement relating to Mundra Thermal Power Undertaking between the Company and Adani Power Limited, which came into effect from 22nd December, 2017, as stated in note 45, Adani Power Limited continued to procure coal in terms of the Fuel Supply Agreements ("FSAs") linked to Mundra Thermal Power Undertaking and transfer the same to Adani Power Maharashtra Limited and these transactions are being transferred to and recorded in the books of the Company till 31st March, 2018. The Company believes such transactions are appropriately entered and accounted in the books.
- 47** The Company had successfully secured a coal block at Jitpur in the state of Jharkhand and executed the coal mine development and production agreement with the Government of India in FY 2014-2015. The Company has already initiated the process for development of the said mine.



**48 Related party transactions**

**a. List of related parties and relationship**

Description of relationship	Name of Related Parties
Ultimate Controlling Entity (through direct and indirect control)	S. B. Adani Family Trust ("SBAFT")
Immediate Holding Company	Adani Power Limited
Fellow Subsidiaries	Adani Power Maharashtra Limited Adani Power Rajasthan Limited Adani Power Resources Limited (Formerly known as Adani Transmission (Maharashtra) Limited) Udupi Power Corporation Limited Adani Power (Jharkhand) Limited
Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control	Adani Bunkering Private Limited Adani Enterprises Limited Adani Gas Limited Adani Global FZE, Dubai Adani Global Pte. Limited Adani Green Energy (Tamilnadu) Limited Adani Green Energy (UP) Limited Adani Green Energy Limited Adani Hazira Port Private Limited Adani Hospitals Mundra Private Limited Adani Infra (India) Limited Adani Infrastructure And Developers Private Limited Adani Infrastructure Management Services Limited Adani Kandla Bulk Terminal Private Limited Adani Petronet (Dahej) Port Private Limited Adani Ports & Special Economic Zone Limited Adani Renewable Energy Park Rajasthan Limited Adani Transmission (India) Limited Adani Transmission Limited Adani Wilmar Limited Karnavati Aviation Private Limited Maharashtra Eastern Grid Power Transmission Company Limited MPSEZ Utilities Private Limited Mundra Solar PV Limited Mundra Solar Technopark Private Limited Parampujya Solar Energy Private Limited Wardha Solar (Maharashtra) Private Limited
Key Management Personnel	Mr. Ranen Kumar Roy, Whole-time Director (W.e.f. 28.12.17) Mr. Sandeep Jain, Chief Financial Officer (W.e.f. 28.12.17) Mr. Gaurav Vesasi, Company Secretary (W.e.f. 28.12.17) Mr. Krishnakumar Chhaganlal Mishra, Non-Executive Director (Upto 28.12.17) Mr. Reminder Singh Gujral, Non-Executive Director (W.e.f. 28.12.17)



All amounts are in ₹ Crores, unless otherwise stated

b. Transactions with related parties

Sr No.	Particulars	For the year ended 31st March, 2018				For the year ended 31st March, 2017			
		With Fellow Subsidiaries	Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control	Key Managerial Personnel	Immediate Holding Company	With Fellow Subsidiaries	Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control	Key Managerial Personnel	Immediate Holding Company
1	Equity Shares Issued	-	-	-	106.00	-	-	-	-
2	Loan Taken	-	-	-	2,611.53	-	-	-	276.07
3	Loan Repaid Back	-	-	-	196.85	-	-	-	433.30
4	Interest Expense on Loan	-	-	-	12.13	-	-	-	4.33
5	Interest expenses	-	33.98	-	-	-	-	-	-
6	Sale of Goods	1,305.02	1,182.92	-	-	1,685.96	1,135.06	-	-
7	Purchase of Goods	192.80	3,752.46	-	-	62.94	6,148.74	-	-
8	Other Balances Transfer from Related Party	3.13	0.80	-	-	3.42	2.64	-	-
9	Other Balances Transfer to Related Party	0.11	1.91	-	-	0.34	0.93	-	-
10	Rendering of Service	-	21.10	-	-	-	17.77	-	-
11	Receiving of Services	-	376.25	-	-	-	566.31	-	-
12	Advance Received against sale of Goods	-	-	-	-	-	-	-	-
13	Sale of Assets	-	0.04	-	-	-	-	-	-
14	Compensation of Key Management Personnel								
a	Short-term benefits	-	-	0.06	-	-	-	-	-
b	Post-employment benefits	-	-	0.00	-	-	-	-	-
c	Director sitting fees	-	-	0.02	-	-	-	-	-

The above transactions do not include reimbursement of expenses.

For transfer of Mundra Power Generation Undertaking pursuant to scheme of arrangement refer note 45.

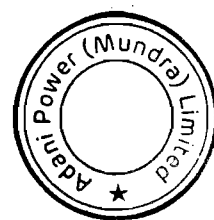
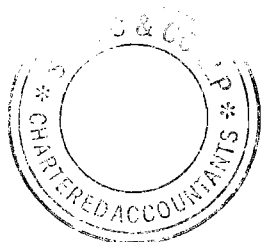
**C. Balances With Related Parties :**

Sr No.	Particulars	As at 31st March, 2018			As at 31st March, 2017		
		With Fellow Subsidiaries	Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control	Immediate Holding Company	With Fellow Subsidiaries	Entities on which one or more Key Management Personnel ("KMP") have a significant influence / control	Immediate Holding Company
1	Borrowings	-	-	2,414.68	-	-	-
	<b>Receivables</b>						
2	Trade receivables	0.30	38.31	-	685.65	35.62	-
3	Security Deposit and Advances Given	0.02	0.08	0.08	0.02	3.14	-
	<b>Payables</b>						
4	Trade and Other Payables	203.83	3,655.35	-	27.78	3,692.77	-
5	Security Deposit and Advances Received	92.98	1.05	-	-	-	-
6	Interest Payable	-	-	0.63	-	-	0.63

(Figures below ₹ 50,000 are denominated by \*)

For transfer of Mundra Power Generation Undertaking pursuant to scheme of arrangement refer note 45.

- 49 The Company is incurring operational losses presently. Accordingly, the management has approached the various stakeholders to arrive at alternative solutions to minimize the operating losses. The discussion in the matter are still at an explanatory stage based on the assessment of the recoverability of the carrying amount of assets of the Mundra Power Plant, no further adjustment is considered necessary at this stage.



50 Recent accounting pronouncements

The Company applied for first time certain amendments to the Standards, which are effective for annual periods beginning on or after 1st April, 2017. The nature and impact of each amendment is described below:

**Amendments to Ind AS 7 Statement of Cash flows : Disclosure initiative**

The Amendment require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and comparative period.

**Standard issued but not effective:**

**Ind As 115 revenue from contracts with customers**

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business.

A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

51 Previous year figures have been regrouped and rearranged wherever necessary to confirm to this year's classification.

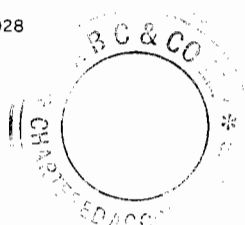
**In terms of our report attached**

**For S R B C & Co LLP**

Firm Registration No. 324982E/E300003

**Chartered Accountants**

per RAJ AGRAWAL  
PARTNER  
Membership No. 82028



Place : Ahmedabad  
Date : 2nd May, 2018

**For and on behalf of Board of Directors**

RAJIVKUMAR RUSTAGI  
DIRECTOR  
DIN : 07193069

SANDEEP JAIN  
CHIEF FINANCIAL OFFICER

Place : Ahmedabad  
Date : 2nd May, 2018



JAYADEB NANDA  
DIRECTOR  
DIN : 06578925

GAURAV VESASI  
COMPANY SECRETARY