

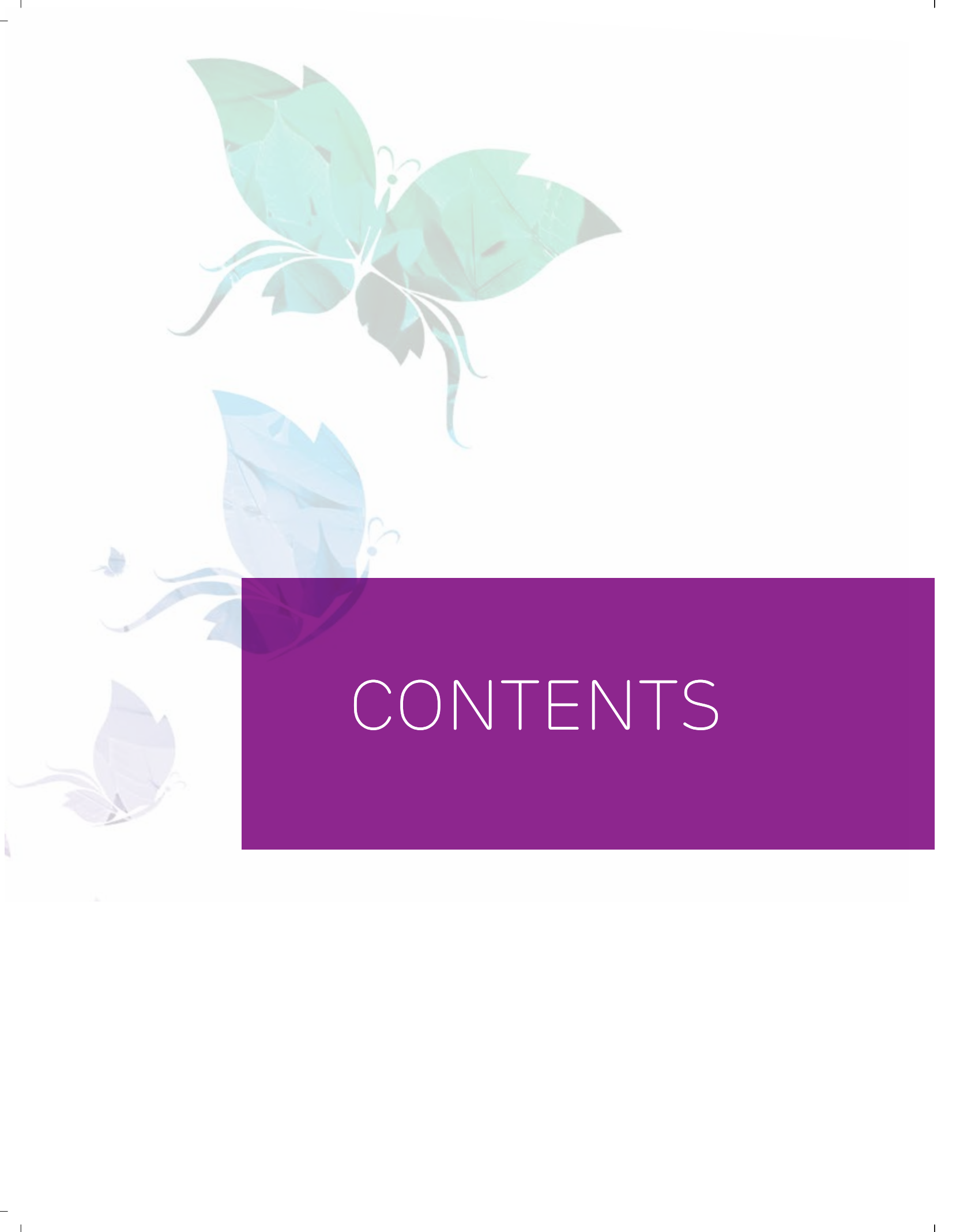
Adani Gas Limited

adani
Gas



Annual Report 2017-18

Growth
with
Goodness



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Chairman's Message

DEAR SHAREHOLDERS

The essence of our new vision statement **"To be a world-class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation"** lies in our Group's philosophy of pursuing Growth with Goodness. Over the past 30 years, we have continued to do our part to build a better India. Our people have played a tremendous role in helping build some of the most critical infrastructure our nation needs, which has translated into the Adani Group becoming the leading player across diverse sectors that include Resources, Ports and Logistics, Energy, Agriculture and Real Estate.

As of today, our network size stands at over 6,000 kms of pipeline and 73 CNG stations catering to more than 3 lakh homes, 1,200 industrial units and 2,400 commercial units.

We are currently authorised in 35 geographical areas along with our JV Partner IOC under the name IOAGPL.

Our journey to tap into the potential growth of natural gas as an energy source was initiated in 2004. We envisioned that countries like India and China would become the largest consumers of natural gas given its lower carbon intensity and transportability, which would therefore lead to decades of strong growth. In fact, even today India and China that constitute 37% of the global population consumes just 9% of the world's natural gas. We foresaw that the growth in natural gas use would lead to a growth in the storage and distribution network, both long distance pipelines as well as distribution networks within the cities that supply natural gas to individual residences. Therefore



over the past decade and a half the Adani Group continued to invest in building the infrastructure required to handle gas. Today, Adani Gas has not only become the largest private sector player in the City Gas Distribution (CGD) business but is also seen as one of the highly integrated players in the business with its strategy of vertical integration by building the LNG receiving terminals at its ports.

Our confidence in the growth of this sector was validated earlier this year when Adani Gas emerged as the leader by winning 22 new Geographical Areas (GA). Of these 22 GAs, Adani Gas won 13 on an independent basis and another 9 on a joint venture basis with Indian Oil Corporation thereby further consolidating its position as the top player in the CGD sector. As of today, our network size stands at over 6,000 kms of pipeline and 73 CNG stations catering to more than 3 lakh homes, 1,200 industrial units and 2,400 commercial units. We are currently authorised in 35 geographical areas along with our JV Partner IOC under the name IOAGPL.

As a result of our successes and confidence in this sector the Adani Enterprises board approved the decision to demerge the gas business into a new publicly listed company "Adani Gas Limited". We anticipate this move to generate significant shareholder value and remain confident that we will be well-positioned to further grow our presence as the Government of India continues to expand the CGD network. In doing so, we will fulfill our four key underlying objectives - contributing towards increasing the share of natural gas in India's energy basket; reducing oil imports; reducing the impact on the environment; offering fuel at reasonable prices to our consumers, and creating greater shareholder value.

Regards,
GAUTAM ADANI
Chairman - Adani Group

CEO's Message

DEAR SHAREHOLDERS

Adani Gas is a well-acknowledged success story of building the backbone of PNG and CNG infrastructure across India. Today, it has provided the benefit of piped natural gas supply to over 3 lakh homes, 2400 small commercial and 1200 industrial business partners and over 1, 88,000 vehicles are fuelling on CNG across its 73 CNG Stations. For us at Adani Gas, we consider building City Gas Distribution infrastructure as an integral part of nation building initiative and core to the Adani Group vision.

In the financial year 2017-18, Adani Gas surpassed the target of providing piped gas supply to 3 lakh homes and achieved superior growth of 12% in CNG and 23% in PNG segments. The turnover of the Company increased to INR 1,385 Cr. from INR 1,162 Cr. in the previous year.

We look at Adani Gas as a company with the agility of a young company as well as achievements, wisdom & professionalism of a veteran organisation.

The exciting news for all our stakeholders, which is worth mentioning is that in the recently announced outcome of 9th round of CGD bidding by PNGRB, Adani Gas emerged as the largest winner for 13 Geographical Areas (Gas) out of 86 GAs. In addition, its JV with Indian Oil Corporation – IOAGPL also won 9 more GAs. This will take your Company to the sustained path of high trajectory growth in the future. This will also position Adani Gas as the largest City Gas Distribution Company in India. Adani Gas has now been demerged from its parent company – Adani Enterprise Limited (AEL) and emerged as a separate entity listed on BSE and NSE.



Giving highest priority to Health, Safety and Environment (HSE) is a must at Adani. The vision of our Chairman is to provide continued impetus on Behaviour-based Safety (BBS) in every action at Adani Gas. Similarly, 'embedding excellence in everything we do' is uncompromised, and being the first CGD to adopt the integrated SCADA technology is a shining example of our progressive approach. We are fully paced with the newer automation and digitisation opportunities, which we shall be seamlessly adopting in all our processes to bring delightful experience to our consumers while ensuring the presentation of human touch in our interactions with all our stakeholders.

Adani Gas 2.0, in its new avatar as a listed company, has chalked out to accelerate its growth by intensifying its reach to the untapped potentials in its existing geographies, fast tracking execution of CGD networks in 13 new geographies and also looking forward to participating in the ensuing CGD bidding rounds to expand its coverage to the width and breadth of country. It has all the ingredients to steer such a growth plan – a well experienced, motivated and agile team, robust foundation and excellent tools, its continued focus on being ahead of the curve in adopting newer automation and technological developments, required impetus on 'Safety First' as part and parcel of its culture, and continued focus of Government and PNGRB towards expanding the coverage of CGD network across the country by offering more and more geographies under bidding.

I look forward to continued support of all our stakeholders in our determination to take Adani Gas to newer heights.

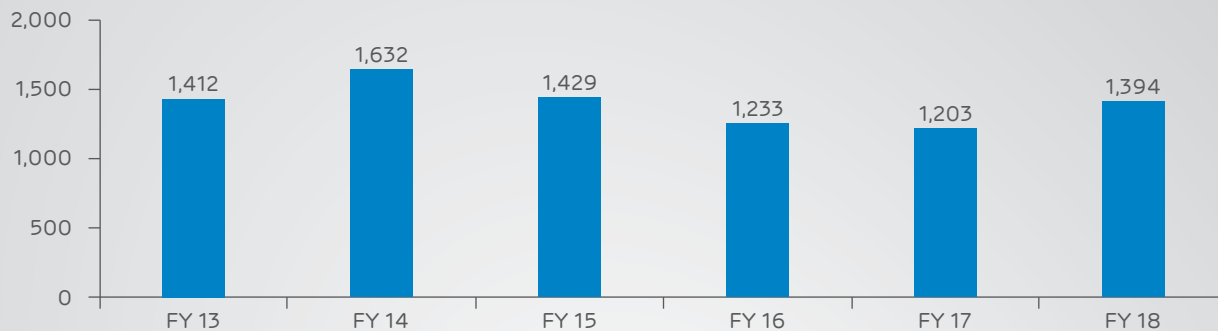
Regards,

SURESH P MANGLANI

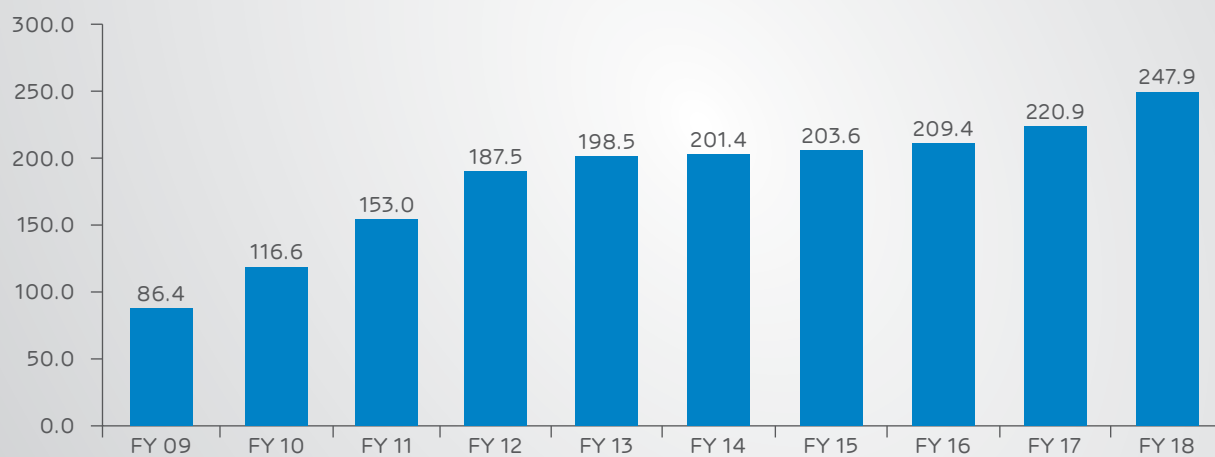
CEO & Executive Director - Adani Gas Ltd

Financial Highlights

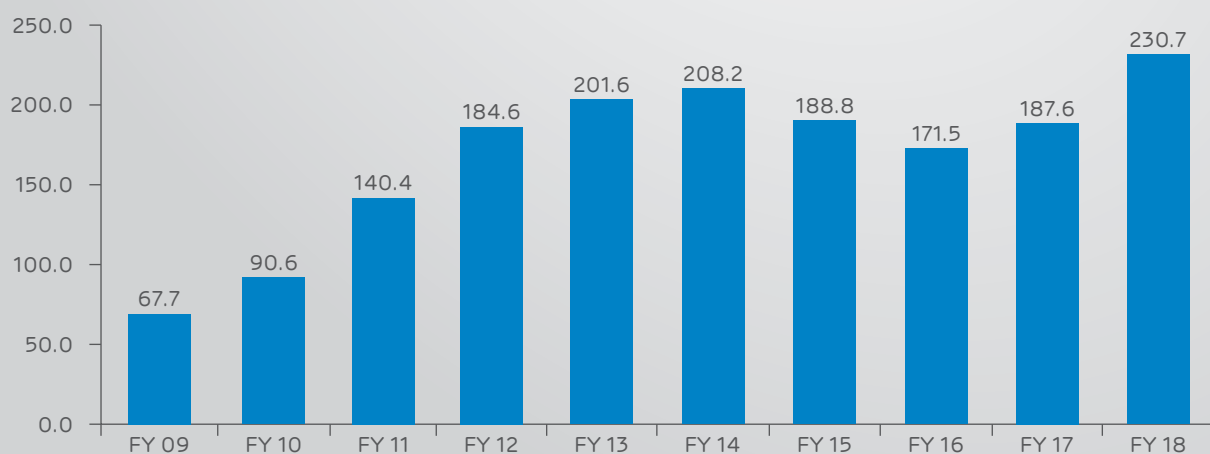
Revenue Growth (₹ Cr.)



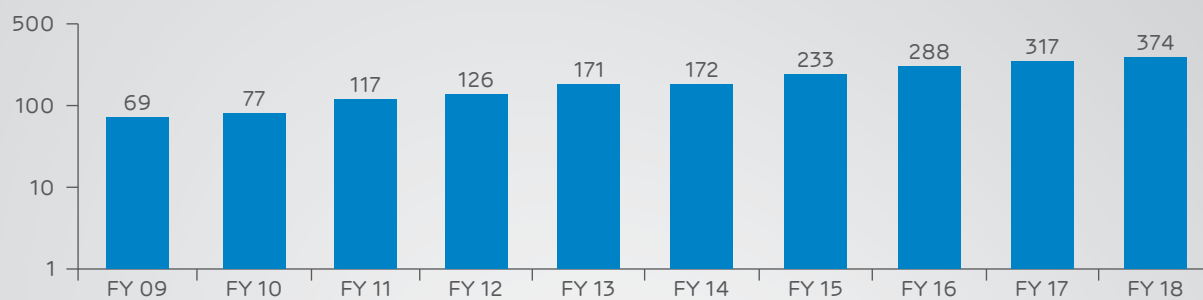
CNG Sales Volume Growth (In MMSCM)



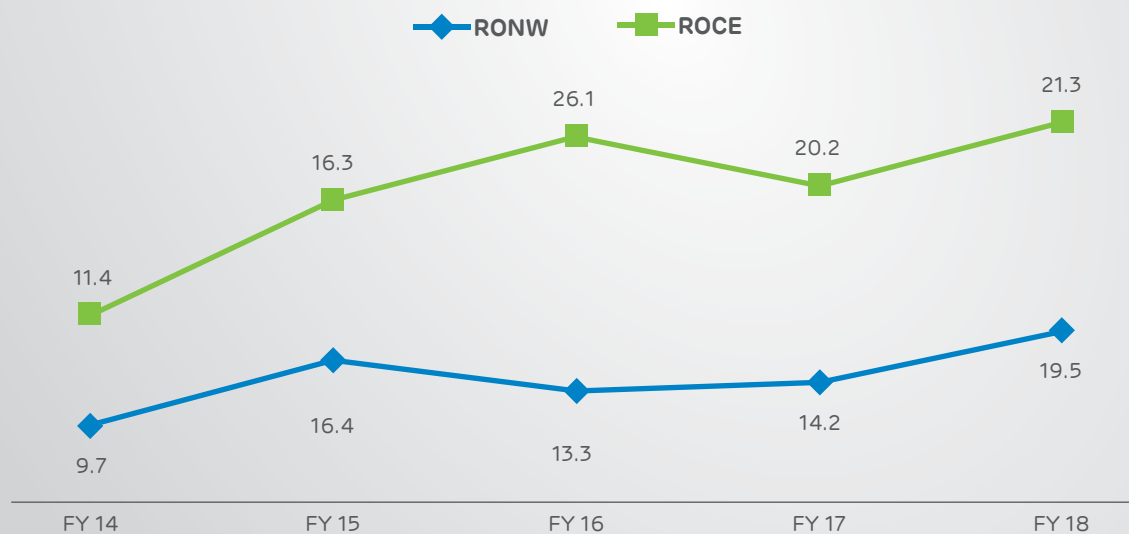
PNG Sales Volume Growth (In MMSCM)



EBITDA (₹ Cr.)



Financial Ratios (%)





From 300 to 300,000 homes

The inception of Adani Gas Limited was founded at the crossroads of the nation's need for ensuring energy security, achieving access to energy at affordable prices, and exploring greener sources given the severity of air quality problems in India.

What was witnessed in 2004 as a venture with humble beginnings with the commissioning of one gas connection in Vadodara has transformed into an independently listed company in 2018 marking its outreach in approximately 3,00,000 homes, 1,88,000 vehicles, 1,200 industrial and 2,400 commercial customers.

Today, Adani Gas has become a name to reckon with in supply of eco-friendly, cost-effective and reliable natural gas for industrial, commercial, domestic and vehicular customers. Leveraging this pace of growth, the Company is poised to grow three times in the next three years in terms of cities, potential customers, number of employees and network size.

Natural Gas is a convenient, reliable and environment-friendly fuel that allows consumers to enjoy high levels of safety, convenience and economic efficiency.

The Big Picture: FY 2017-18

- **TURNOVER:**
Increased to INR 1,385 Cr. from INR 1,162 Cr. in the previous year
- Became operational in 9 cities from 7 cities in the previous year
- Volumes increased by 17% to 479 Million Metric Standard Cubic Meters
- Achieved YoY volume growth of 12% in CNG and 23% in PNG
- Addition of Gas Distribution Network by 71 MMSCM

AT A GLANCE

With 14 years of operational track record, a vast network of pipelines in excess of 6000 kms, high standards of quality and customer centricity, Adani is a name to reckon with in supply of eco-friendly, cost-effective and reliable natural gas for industrial, commercial, domestic and vehicular customers.



4

Operational Cities



70+

CNG Stations



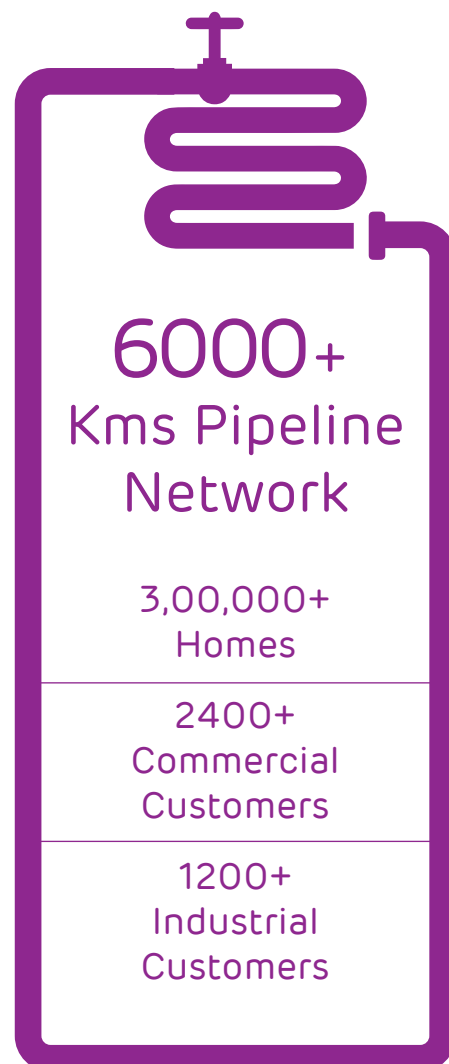
INR 1000 Cr.
Asset Base



INR 1400 Cr.
Revenue



A+
Domestic Rating



One Vision. One Brand.

To be a world-class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation.

Core Values

COURAGE

We shall embrace new ideas and businesses

TRUST

We shall believe in our employees and other stakeholders

COMMITMENT

We shall stand by our promises and adhere to high standards of business

GROUP OVERVIEW

Adani Group is one of India's largest integrated infrastructure conglomerates with interests in Resources (coal mining and trading), Logistics (ports, logistics, shipping and rail), Energy (renewable and thermal power generation, transmission and distribution), and Agro (commodities, edible oil, food products, cold storage and grain silos), Real Estate, Public Transport Infrastructure, Consumer Finance and Defence.

Adani owes its success and leadership position to its core philosophy of 'Nation Building' and 'Growth with Goodness' - a guiding principle for sustainable growth. The Group is committed to protecting the environment and improving communities through its CSR programme based on the principles of sustainability, diversity and shared values.

Guiding Philosophy

Enrich lives, harness cleaner & greener resources build state-of-the-art infrastructure, contribute to nation building, and thereby drive growth with goodness.

BUSINESS OVERVIEW

Adani Gas Limited, currently a subsidiary of Adani Enterprises Limited, is the largest private sector player in developing City Gas Distribution (CGD) Networks in India, to supply Piped Natural Gas (PNG) to the Industrial, Commercial, Domestic (residential) and Compressed Natural Gas (CNG) to the transport sector.

A focused 'Pure Play' Gas Marketing and Distribution Entity, with its expanding network of pipelines (in excess of 6000 Kms), Adani Gas serves over 1,200 industrial customers, over 3,00,000 homes, over 2,400 commercial customers and more than 70 CNG stations.

The company has already set up City Gas Distribution networks in 4 cities - Ahmedabad and Vadodara in Gujarat, Faridabad in Haryana and Khurja in Uttar Pradesh. In addition, it has added 9 cities in its portfolio which are expected to be operational by 2021. The development of Allahabad, Chandigarh, Ernakulam, Panipat, Daman, Dharwad, and Udham Singh Nagar gas distribution is awarded to the consortium of Adani Gas Ltd and Indian Oil Corporation Ltd.

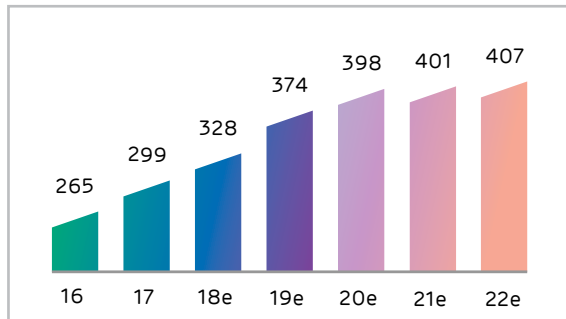
The demerger will unlock the value of gas sourcing and distribution business by eliminating the holding company discount and providing financial flexibility for raising capital for sustainable growth of gas sourcing and distribution business.



Core Propositions

ABUNDANCE

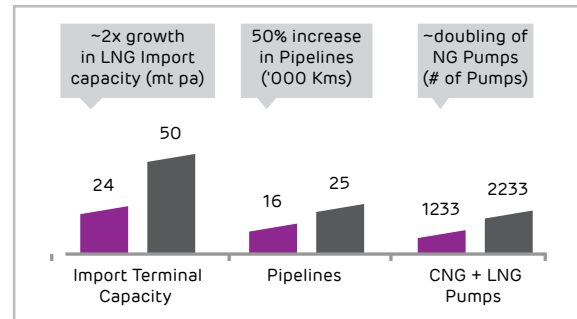
Increasing liquefaction capacity and widening the operational spread across each customer segment to tap the true potential of this plentiful natural resource.



Global gas export capacity increasing 50% between 2016-20

AVAILABILITY

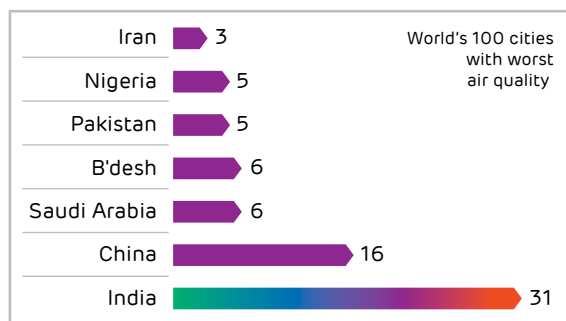
Vast network of pipelines (in excess of 6000 kms) providing piped natural gas to residential, commercial, and industrial customers, and compact natural gas to the transport sector in Ahmedabad, Vadodara, Faridabad and Khurja.



Infrastructure for natural gas ecosystem is accelerating

ACCEPTABILITY

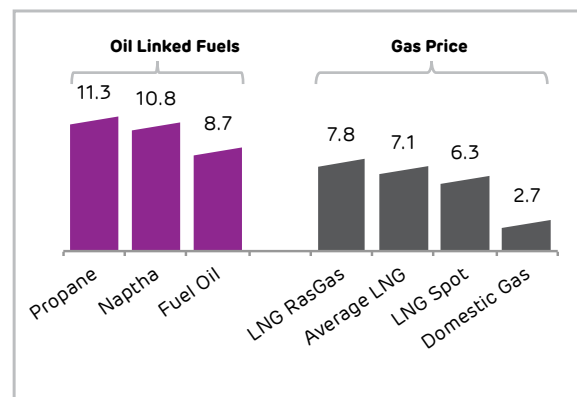
Placed among one of the most admired CGD companies in the country for its customer centric initiatives, technology drive, speed and quality of implementation. Successfully achieving a high customer recall and thereby earning the reputation of spearheading safe, efficient, competitive, incident-free and evolved operations with quality excellence.



Poor air quality in cities supporting gas adoption

AFFORDABILITY

Leveraging the inherent cost efficiency advantage of the resource to allow consumers to enjoy the fuel in an affordable and sustainable manner. Adani Gas commands cost leadership by offering the lowest operating cost in the industry.



Gas is cheaper than oil linked fuel (\$/MMBTU)



Source: Morgan Stanley Research and In-house Development/Research

Growth Drivers

Adani Gas is well-placed to intensify growth within the existing markets and expand operations in new geographies, one of the focal points being enhancing the PNG penetration in each segment.

DOMESTIC PNG:

Adani Gas has built a city-wide CGD network to supply Piped Natural Gas (PNG) to the homes in 9 cities. Domestic customers use Natural Gas for cooking and heating water in gas geysers.

INDUSTRIAL PNG:

Natural gas has become the preferred fuel for diverse industrial applications as it is environmentally friendly, easy to handle, reliable and requires zero storage space. Natural Gas is used for Boilers, Thermic Fluid Heaters, Direct Fired Dryers, Textile Processing, Heat Treatment, Wire Drawing, Casting and Forging applications in industries

COMMERCIAL PNG

Adani Gas caters to commercial customers that include hotels, restaurants, fast food joints, hospitals, corporate offices as well as canteens and pantries. We provide natural gas mainly for cooking and heating applications to these customers.

ADANI CNG

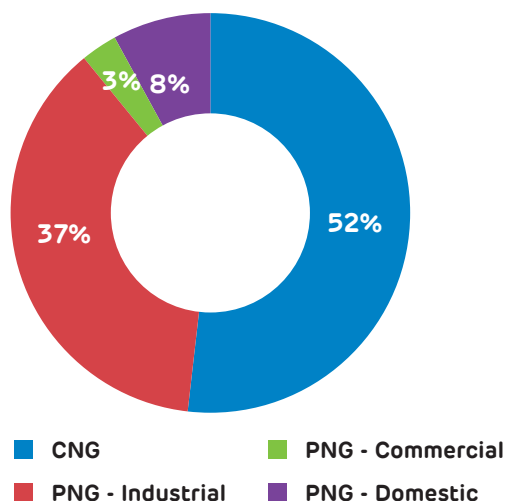
Adani Gas has a large number of CNG stations in operation to fuel CNG vehicles in the four cities which is in high demand in the transport sector.



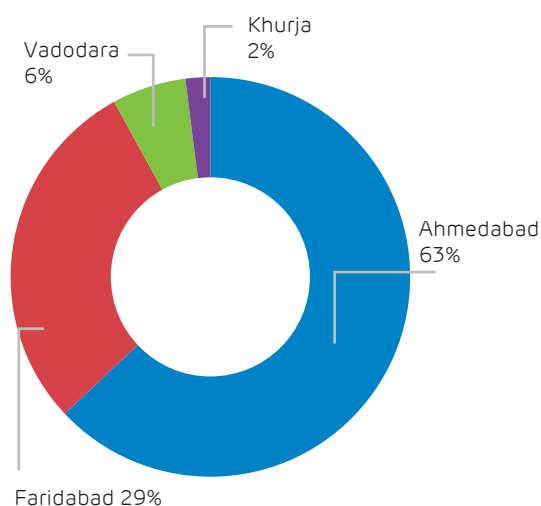
A Balanced Product Segment Mix

Our customer base is well spread out across segments and cities. Leveraging our cost and scale advantages, strong balance sheet and superior execution capability - the company is optimistic to penetrate deeper in the market, both in Gujarat and NCR regions and going further, strengthen the pan-India CGD infrastructure.

Segment & Current
Sales Volume Mix - FY 18 (%)



Citywise Volume
Distribution



Future Outlook

India is among the top five energy consumers in the world, and has been witnessing consistent growth in demand for energy. Out of the total energy basket, natural gas is the cleanest source of energy and is the most environment-friendly fuel. Owing to its inherent advantages, Natural Gas is gaining importance the world over.

The Government of India aims to expand the City Gas Distribution from 78 to 250 cities by 2020.

AGL, being a 'Pure Play' CGD company with a 10+ years of operational track record and cost efficiency advantage, is well poised to lead this surge.

Globally, natural gas accounts for 24% of primary energy consumption, however, in India; it has a relatively small share of over 6% of the total energy basket. Fortunately, the regulatory push by the government of India has provided a fillip to the growth of the CGD industry. The NITI AAYOG has envisaged a rollout plan of CGD network development through competitive bidding in more than 326 possible Geographical Areas (GAs) in a phased manner by 2022. PNGRB's (Petroleum and Natural Gas Regulatory Board) bidding rounds has the potential to open up a large opportunity for growth. The Government has also been contemplating expansion of CNG filling stations network in the country along 12,500 kilometers of National and State highways that are in the vicinity of existing and proposed gas pipelines.

These growth drivers complement the execution strength of Adani Gas which is well-positioned to expand the network and thereby contribute towards increasing the share of natural gas in India's energy basket, reducing the impact on the environment as well as offering fuel at reasonable prices to the consumers at large. Further the company's JV with IOCL, brings the best of both worlds with AGL, bringing the domain expertise in processes and manpower and IOCL leveraging its infrastructure excellence & resources borrowing capacity. This synergy puts us in perfect position to participate in the growth driven by new geographies as well as intensify growth within developed cities.

We are in the process of creating the requisite infrastructure to move to the new growth orbit by building a network of pipelines across seven cities in a joint venture with the Indian Oil Corporation.



Journey and Milestones

- Became one of the largest CGD Companies in the country by winning authorisations for additional 13 geographical areas spread across the country
- Group announced the demerger of gas distribution business making Adani Gas Ltd. a standalone business entity. This also marks a new wave of growth for the business.



CGS Control Room, Ramol, Ahmedabad





From Organic To Strategic

Any development is guided by a vision, stoked by innovation and sustained by systems.

For all these years, Adani Gas Ltd. thrived under the auspices of the Adani Group. Best practices, innovations and systems were developed at the group level and then cascaded across the organisation.

Today, as an independent entity, we are carrying forward the spirit of innovation and excellence we inherited from the Adani Group; at the same time, we are also taking strategic steps to customize these best practices to better suit our specific sectoral requirements. This ensures that the development is not just organic, but strategic.

The company's City Gas Distribution Network stands firm at the back of a systemic and scientific approach which embraces latest in technology and complies with all applicable standards of the industry.

The Big Picture: FY 2017-18

- Increased thrust on automation and digitisation
- Introducing mobile app and spot billing for customers
- Automatic updating of job orders
- One-of-a-kind remotely operated CNG stations

Adani Gas is considered one of the most admired CGD Companies in the country – for its customer orientation, technology drive, speed and quality of implementation.

The following pages offer a snapshot of the steps taken by AGL towards accelerating operational excellence, enhancing innovation and ensuring quality in FY 2017-18.

Business Innovation

SAP:

SAP is a globally accepted Enterprise Resource Planning (ERP) software. We have implemented end-to-end SAP solutions across functions – right from Accounting (FICA, FICO module), Materials Management (MM module), Project Management (PS Module), Plant Maintenance system (SAP EAM Module), Sales & Distribution (SD Module) & Industry Solution Utility (ISU module) & Environment Health & Safety (EHS module)

SAP SYCLO/SAP WORK MANAGER:

A comprehensive mobile solution for the automation of asset management and field service processes, Work Manager enables employees stationed in remote locations to

- Manage their assigned work orders and service requests via mobile devices.
- Access a wide array of SAP® ERP data pertaining to operations, task lists, short and long text, repair histories, and material availability.

Armed with more information, employees work smarter, have more work time, improve their first-time fix rates and extend asset lives by conducting more preventative maintenance. The mobile app accesses the SAP Enterprise Asset Management (SAP EAM) application and empowers the workforce with everything needed to efficiently install, inspect, maintain and repair assets in the field from mobile devices. GIS location tracking will also be integrated with this to know the real-time customer location.

AMR:

Automated Meter Reading (AMR) system is in place where the data is gathered from the customer MRS (Industrial/ Commercial) and stored in the server which is then transferred to SAP system for billing of the customer.

SCADA: Supervisory Control and Data Acquisition (SCADA) systems have been introduced to ensure more efficient, reliable, and safer operations as compared to earlier non-automated systems. SCADA has also resulted in lower operational cost. It encompasses the collecting of the information, transferring it back to the central site, carrying out any necessary analysis, and controlling and displaying that information on a number of operator screens or displays.

USAGES IN NATURAL GAS

Complemented with specific expertise in the fields of utility interfaces, and sliding window demand, SCADA creates effective regulation and monitoring system leading to multiple benefits:

Reduce costs	Monitor usage with precision metrics	Improve overall distribution efficiency
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USAGES IN PNG:

The PNG SCADA system can establish accuracy, repeatability and credibility of gas measurement & accounting. Automatic Metering Reading System helps measure amount of gas in domestic & small commercial segment.



Operational Excellence

GLOBAL INFORMATION SYSTEM (GIS):

Geography is an integral part of oil and gas data. Globally, GIS in oil and gas industry is a rapidly growing field of interest and can serve multiple purposes – ranging from asset management, better remote sensing and monitoring, and automation. Our pipeline network MS & PE is in process of being mapped in GIS system by our technology partner Science and Technology Park, Pune, and will be completed by middle of FY2017-18.

Upon implementation, the project will comprise complete gas network (high pressure steel as well as medium pressure polyethylene) and will be mapped in GIS along with essential reference details like top cover, lateral distances, other utilities, etc. Network information shall be updated on regular basis as and when changes take place with reference to landmarks.

LEGATRIX:

Legatrix is a comprehensive, robust, highly-customisable, IT-enabled legal support solution for tracking, managing and reporting on legal, regulatory and internal compliances. All the statutory requirements are mapped in the Legatrix system with defined deadlines and person responsible. The system gives timely notifications to individual predefined into the system for prompt and timely action, so as to ensure that all statutory compliance requirements are met.

Legatrix not only ensures greater transparency in AGL's operations, it also augments our contribution towards the Government's Digital India Mission.



Quality

We have the ISO 9001:2015 Quality Manual in place. It sets out the policies and directions for meeting the requirements of the International Standard ISO 9001:2008 (hereafter abbreviated to ISO 9001) and provides an important documentary guide to the system as a whole.

In addition, we have also developed an internal portal for all the quality and Integrated Management System documentation. It is a login based browser application that can be accessed by all employees.



From empowerment to excellence

Empowerment shows potential – the ability to take concrete actions and affect a lasting change. Whereas excellence shows outcome – a potential that is now in effect; a mass that has now gained momentum at the right time and right pace.

At AGL, it is our continuing endeavour to first enhance potential in employees and community members; and then harness this potential to ensure outstanding performance.

Over and above embedding a culture of excellence in people, the Company also focuses on contributing towards the sustainability of the planet.

Adani Gas remains firmly committed towards meeting and exceeding stakeholder expectations as well as taking note of government guidance on social and environmental matters.

Committed to responsible business growth, Adani Gas remains invested in contributing to the communities within which it operates, ensuring growth and safety of its workforce, and protecting the elements of nature.

The Big Picture: FY 2017-18

- Recognised as one of India's best workplaces in manufacturing by 'Great Place to Work'
- Imparted 14,000+ man-hours of training to employees & stakeholders
- Upgraded to ISO 14001:2015 for Environment Management System
- Touched 5 Lakh lives in the communities neighbouring our operations.

Employee-centricity at AGL

Employee-centricity at AGL is a comprehensive and end-to-end mechanism. It starts with the recruitment and induction, and covers the learning & development, engagement as well as day-to-day productivity of all employees. Here is a snapshot of some of the HR activities conducted during the year:

AGL has been recognized as one of India's best workplaces in manufacturing by 'Great Place to Work' (GPTW) and also secured 18th rank in the same survey for mid-sized workplaces.

INDUCTION

'Prarambh': This induction programme marks the beginning of a new and successful tenure for all Graduate Engineer trainees & Management trainees who join AGL annually. The purpose of this event is to create a remembrance in their minds and establish a long term human bond with the organization by capturing a small part of their happiness. In FY 17-18, 40 GET's & MT's went through this induction programme successfully.

LEARNING & DEVELOPMENT:

- **'eVidyalaya':** As part of AGL's ongoing commitment to employees' continuing development, eVidyalaya, an online learning platform of Adani Group, was introduced in 2014. The platform, designed in association with knowledge partner Skillsoft, provides a wide range of courses and modules for the employees to access as per their own convenience. During the year, 96.7% of AGL employees were active on the platform and 90% completed the training programmes.

- **'Essence of Life':** It is a 1,000-days 'Respect & Dignity' initiative which educates the team at AGL on different aspects of behaviour and how it impacts corporate culture & performance. The initiative aims at gradually changing behaviour in due course of time through subtle and continuous flow of informative content through various non-traditional corporate channels.

EMPLOYEE ENGAGEMENT & WELLNESS:

At AGL, we have instituted a wide array of Reward & Recognition activities to motivate and encourage our talented workforce:

- Awards and programmes like Employee of the Quarter, Spot Recognition Policy, and Long Service Award. Additionally, there is an Annual Awards ceremony that celebrates employee performance across 7 categories ranging from Emerging Professional and Emerging leader, to Best Customer Service Excellence and Star Supervisor.
- In appreciation of the tremendous support shown by the employees' family in ensuring their productivity, we have also constituted a 'Spouse of the Year' policy.
- Engineers Wissen (Engineers' Day) is celebrated in AGL in which employees in the company are invited to showcase their talents with various live projects and events.

'CARE': A health & wellness drive by Adani Gas Ltd. to spread wellness and create a fitness regime, through CARE, we facilitate quality work-life balance and healthy lifestyle among employees. Employees are rewarded based on their total wellness score

'AskHR': It is a simple, easy-to-use helpdesk platform allowing employees to raise their HCM related queries via email, voice calls which are taken towards relevant and satisfactory closure by the team.

AGL: Training Snapshot

No. of Training Programmes	Total Training (in Man-days)	Total Training Hours
13	756	6048



Environment, Health & Safety

An ideal state of progress can be defined by one's ability to ensure that the consumption of resources, direction of investments, deployment of technology and institutional change are all in harmony with nature and enhance the potential to meet human needs and aspirations of the future generations.

Committed to responsible business growth, Adani Gas remains invested in contributing towards preservation and sustainable capitalisation of nature's precious resources. With pollution levels rising by the day, Compressed Natural Gas (CNG) is increasingly becoming the preferred fuel of the future.

By nature, CNG is a safer and healthier energy option for the earth's environment. But it needs to be distributed in a way that is safer and healthier for the earth's inhabitants. We are committed to ensure continuity of natural gas supply & reliability of services to the customers and also committed to demonstrate continual improvement in our Quality, Occupational Health, Safety & Environmental (QHSE) management.

We are determined to conduct our operations with proper regard for the environment and to the health and safety of all those involved in our operation and the public at large.

AGL has established its QHSE management system & accredited for the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and BS OHSAS 18001 Occupational Health and Safety Assessment Series.

HSE AT AGL

We have a system in place to monitor all external and internal process issues that are relevant to our purpose and strategic condition and can affect our ability to achieve identified results in quality, environment and OH&S management systems.

- We monitor and review information about the interested parties and their requirement that are relevant to QHSE.
- We have identified and mobilized the resources needed for the establishment, implementation, maintenance and continual improvement of the QHSE Management System through process chart, QHSE system procedure and management program as required
- We have also established, implemented and maintained the processes needed to prepare for and respond to potential emergency situation identified; including actions to address risks and opportunities

Industrial accidents can never be nullified, but crisis preparedness and response can surely be amplified. AGL has established procedures to ensure that there is an appropriate response to unexpected or accidental incidents.

AGL complies with Adani Group OHS Procedures & Safety Management System (SMS). As a part of SMS Level 0 requirement, AGL has framed 10 "Life Saving Safety Rules" based on business specific high risk & past incident data. Rules are framed to target and reinforce critical behaviours and processes that ensure safety performance, particularly in high risk areas of the business.

- We have Area Emergency Offices at 9 locations that are working round the clock with our customer care team and are equipped with all resources for timely response to any type of emergency.
- Emergency response drills are conducted periodically and lessons are communicated and corrective actions are ensured. Emergency Response and Disaster Management Plan (ERDMP) are updated as per PNGRB requirements.
- AGL has third-party certification as per PNGRB for Emergency Response and Disaster Management Plan (ERDMP) & Integrity Management System (IMS)
- AGL has conducted HAZOP & QRA studies for its CGD business through PNGRB approved third party. It aims to pro-actively identify hazards and take actions to prevent & mitigate the risks.

MAKING SAFETY, SECOND NATURE

A process becomes second nature when it becomes engrained in day-to-day activities. We actively participate in celebrations like National Safety Week, Road Safety Week, Environment Day, Fire Safety Week to increase awareness among employees, contractors and stakeholders. Every year, theme based campaigns are organized like Sapling Distribution, Beat the Plastic Pollution, Risk Assessment, Fire Prevention etc.

AGL organizes well-structured training programme for different stakeholders. Safety induction training is imparted to all employees & contractors. Employees are also trained based on training need identification of all high-risk activities. Safety, Technical & Operational Competency (STOC) training is given to all contractor employees. PETZL Rope access system training is imparted to plumbers doing high-risk riser job at height.

During FY 2017-18, AGL imparted 14,000+ man-hours of training to employees & stakeholders.

AGL also increases safety awareness of its customers by organizing Industrial Safety Awareness Programmes, sharing CNG Safety Tips, distributing Do's & Don'ts for Domestic Safety. Special awareness drives are also conducted through social media & radio.

CSR

As a responsible corporate citizen, we would like to be regarded as a 'good neighbour' in whichever locality or region we do business in. We continue to carry forward Adani Group's rich legacy of doing good for the society, while continuing to add value to the nation's economy.

AGL undertakes its CSR activities through Adani Foundation – the Adani Group's non-profit arm.

Till date AGL has invested ₹ 8.75 Cr. in CSR activities and has further given ₹ 6.38 Cr. as donation to various charitable institutions.

FOCUS AREAS:

Our CSR focus areas are in line with what India requires in the present to fully actualise its tremendous growth potential. Hence our work is mainly centred towards:

EDUCATION

Impact Areas:

- Adani Vidyamandir
- Underprivileged children
- Training volunteers for teaching
- Girl child education

HEALTH

Impact Areas:

- Mobile dispensary
- Immunisation for kids
- Teaching sanitation in rural area
- HIV/AIDS awareness campaign

LIVELIHOOD DEVELOPMENT

Impact Areas:

- Vocational training
- Cattle vaccination
- Animal husbandry
- Skill upgradation

RURAL INFRASTRUCTURE DEVELOPMENT

Impact Areas:

- Pond deepening
- Check dam construction
- Village drainage system
- Roads, drinking water, power etc.



Our Network

Geographical Areas (GAs), Districts and Cities



Ensuring Green Future

With the total portfolio standing at 35 GAs, Adani Gas has emerged as the largest CGD Company of the country.

In the 9th Round of Bidding conducted by PNGRB, AGL won authorisation for 13 GAs and together with its JV with IOC (IOAGPL) secured authorisation for additional 9 GAs.

ANNUAL REPORT 2017-18

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Gautam S. Adani, Chairman
Mr. Pranav V. Adani, Director
Mr. Suresh P Manglani, Executive Director
Mr. Maheswar Sahu, Independent Director
Mr. Naresh Kumar Nayyar, Independent Director
Mrs. Chandra Iyengar, Independent Director

CHIEF FINANCIAL OFFICER

Mr. Naresh Poddar

COMPANY SECRETARY

Mr. Gunjan Taunk

AUDITORS

M/s. Shah Dhandharia & Co.
Chartered Accountants, Ahmedabad

REGISTERED OFFICE

"Adani House"
Near Mithakhali Six Roads, Navrangpura,
Ahmedabad 380 009, Gujarat, India
CIN: U40100GJ2005PLC046553

BANKERS / FINANCIAL INSTITUTIONS

Yes Bank
ICICI Bank
Kalupur Commercial Bank
Kotak Mahindra Bank
Syndicate Bank
Axis Bank
HDFC Bank
IDBI Bank
State Bank of India
Bank of Baroda
IndusInd Bank

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg, Vikhroli West,
Mumbai 400 083
Tel No.: +91 22 4918 6000

JOINT VENTURE COMPANY

IndianOil - Adani Gas Private Limited (IOAGPL)

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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the depository through their concerned Depository Participants.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 13th Annual Report along with the audited financial statements of your Company for the financial year ended on 31st March, 2018.

FINANCIAL PERFORMANCE SUMMARY

The summarized financial highlight is depicted below:

	(₹ In Lakhs)	
Particulars	2017-18	2016-17
Sale of Goods	1,36,926.76	1,14,867.46
Sale of Services	986.71	846.75
Other Operating Income	616.21	529.99
Other Income	828.12	4,053.64
Total Income	1,39,357.80	1,20,297.84
Less: Total Expenditure	1,12,628.35	98,592.06
Profit / (Loss) Before Exceptional Items & Tax	26,729.45	21,705.78
Add: Exceptional Items	-	(6,096.69)
Profit / (Loss) Before Tax	26,729.45	15,609.09
Less: Current Tax	8,282.00	4,654.46
Less: Deferred Tax	1,111.97	821.05
Less: Adjustment of earlier years	45.08	14.42
Profit / (Loss) After Tax	17,290.40	10,119.16
Total Other Comprehensive Income	14.19	(33.31)
Total Comprehensive Income	17,304.59	10,085.85

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

PROJECTS

A) Ahmedabad:

During the year under review, your Company has continued to expand its network in Ahmedabad and has further laid steel and PE network to cater CNG fuel to vehicles and PNG to residential, industrial and commercial customers. At the end of the year, your Company has 204 kms of steel pipelines, 4266 kms of PE main pipelines and PE service pipelines. Your Company operates 53 nos. of CNG stations. Further, by the end of the year, your Company has 2,68,970 plus nos. of residential customers, 2300 plus nos. of commercial customers and 816 plus nos. of industrial customers.

Further, for the year 2018-19, your Company plans to set up additional infrastructure network to cater to residential customers by another 40,000 customers, 225 commercial customers and 50 industrial customers.

B) Vadodara:

During the year under review, your Company has 33 kms of steel pipelines and 24 kms of PE pipelines in Vadodara. Your Company operates 6 nos. of CNG stations. Further by the end of the year, your Company has 584 nos. of residential customers and 91 nos. of industrial customers.

C) Faridabad:

During the year under review, your Company has continued to expand its network in Faridabad and has further laid steel and PE network to cater to CNG fuel to vehicles and PNG to residential, industrial and commercial customers. At the end of the year your Company has 111 kms of Steel lines and 1138 kms of PE lines. Your Company operates 13 nos. of CNG stations. Further by the end of the year, your Company has 34738 plus nos. of residential customers, 98 nos. of commercial customers and 251 nos. of industrial customers.

Further, for the year 2018-19, your Company plans to set up additional infrastructure network to cater additional residential customer base by another 15000 customers, 150 commercial customers and 50 industrial customers.

D) Khurja:

During the year under review, your Company has continued to expand its network in Khurja and has further laid steel and PE network to cater to CNG fuel to vehicles and PNG to residential, industrial and commercial customers. At the end of the year, your Company has 30 kms of steel lines and 150 kms of PE main pipelines and PE service pipelines. Your Company operates 1 (one) CNG station..

Further, for the year 2018-19, your Company plans to set up additional infrastructure network to cater additional residential customer base by another 5000 customers, and 10 Industrial customers.

PERFORMANCE HIGHLIGHTS

As you are aware, the sale of Gas to Ahmedabad and Vadodara has commenced in September, 2004. Your Company has also commenced operations in Faridabad in February, 2009 and Khurja in 2013. There has been excellent response to the projects from all consumers. Your Company has achieved an increase of 12% in case of CNG quantity and decrease by 23% in case of PNG quantity. Your Company made an average sale of 13.11 Lakhs Standard Cubic Meters per Day (SCMD).

Particulars	Quantity (Lakhs SCM)		Growth % YOY
	2017-18	2016-17	
CNG	2479	2209	12%
PNG	2307	1876	23%
Total	4786	4084	17%
Per Day LSCMD	13.11	11.19	

Your Company has designed, developed, implemented and established its management system in conformance with the requirements of International Quality Management System (QMS) / Environment Management System (EMS) and Occupational Health and Safety Management System (OHSMS) and got accreditation of its management system from International Organization for Standardization (ISO) and obtained following certification:

- ISO9001:2008 (QMS)
- ISO14001:2004 (EMS)
- OHSAS18001:2007 (OHSASMS)

By achieving these three certificates, your Company is able to address the requirements of all its stakeholders i.e. customer requirements through ISO9001:2008, interest parties requirements through ISO14001:2004 and

employee requirements through OHSAS18001:2007. Your Company has been able to validate certification during interim surveillance audit.

In addition your Company has got Emergency Response & Disaster Management Plan (ERDMP) certified by PNGRB approved agency accredited as per codes of practices for ERDMP Regulation 2010. This restored our confidence not only in QMS/EMS/OSHAS processed but also our emergency response awareness, training and adequacy.

DIVIDEND

With a view to conserve the resources of the Company, the Directors have not recommended any dividend on Equity Shares for the financial year under review. In view of the same, the Directors do not propose to carry amounts to reserves.

STATUS OF THE COMPOSITE SCHEME OF ARRANGEMENT

During the year under review, the Board of Directors at its meeting held on 18th January, 2018 had approved the Composite Scheme of Arrangement among Adani Gas Holdings Limited (AGHL) and Adani Gas Limited (the Company) and Adani Enterprises Limited (AEL) and their respective shareholders and creditors for:

- Amalgamation of AGHL with the Company; and
- Subject to satisfactory fulfilment of (a) above i.e., upon amalgamation of AGHL with the Company becoming effective, demerger of the Demerged Undertaking of AEL and transfer of the same to the Company.

The rationale for the Composite Scheme of Arrangement are as under:

- The amalgamation of AGHL with the Company is for simplification of the holding structure resulting in reduction of managerial overlaps and reduction in multiplicity of legal and regulatory compliances.
- Further, considering the following factors, it is desired to segregate the Gas Sourcing and Distribution Business by way of demerger and transfer the same to the Company from other businesses of AEL:
 - To lend greater/enhanced focus to the operation of the Gas Sourcing and Distribution Business and the other businesses.
 - To facilitate the management to efficiently exploit opportunities for each of the Gas Sourcing and Distribution Business and the other businesses.
 - To create enhanced value for shareholders by allowing a focused strategy and specialization for sustained growth.

- (d) To provide scope for independent collaboration and expansion pertaining to Gas Sourcing and Distribution Business.

The said scheme is effective upon approval of shareholders and creditors, Hon'ble National Company Law Tribunal and other regulatory and statutory approvals as applicable.

FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee or security are not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investment made during the year under review are disclosed in the financial statements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

No Company has become/ceased to be a Subsidiary/ Joint venture/ associate during the financial year 2017-18.

A separate statement containing the salient features of financial statements of Joint Venture in Form AOC-1 forms part of this Annual Report.

The financial statements of the Joint Venture shall be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective Joint Venture concerned.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Rajeev Sharma (DIN: 00084188) was appointed as an Additional Director by the Board at its meeting held on 1st March, 2018. He was also appointed as a Whole-time Director of the Company subject to approval of members at the ensuing Annual General Meeting. As an Additional Director, he holds office upto the ensuing Annual General Meeting. The Company has received notice from a member under Section 160 of the Companies Act, 2013 proposing his appointment as a Director of the Company.

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Pranav V. Adani (DIN: 00008457) is liable to retire by rotation and being eligible offers himself for re-appointment.

The Board recommends the appointment/ re-appointment of above directors for your approval.

During the year under review, Mr. Shyamal Joshi (DIN: 00005766) and Ms. Nayanaben Gadhvi (DIN: 07148619) resigned from the Directorship of the Company w.e.f. 9th October, 2017 due to personal reasons. Mr. Shridhar Tambraparni, Whole-time Director (DIN: 07131658) of the Company resigned w.e.f. the closure of business hours on 28th February, 2018 on attaining the age of superannuation. The Board places on record its sincere appreciation for the valuable contribution and guidance rendered by Mr. Shyamal Joshi, Ms. Nayanaben Gadhvi and Mr. Shridhar Tambraparni during their tenure with the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

NUMBER OF BOARD MEETINGS

During the year under review, Seven Board Meetings were held on 11th May, 2017, 28th July, 2017, 16th October, 2017, 4th December, 2017, 13th January, 2018, 18th January, 2018 and 1st March, 2018. The maximum time gap between any two meetings was not more than 120 days.

The attendance of each Director at the Board Meetings held during the year under review is as under:

Name of Directors	Meetings	
	Held during the tenure	Attended
Mr. Pranav V. Adani	7	6
Mr. Rajesh S. Adani	7	7
Mr. Shridhar Tambraparni ¹	6	6
Mr. Shyamal Joshi ²	2	2
Ms. Nayanaben Gadhvi ²	2	2
Mr. Rajeev Sharma ³	-	-

1. Resigned as a Director of the Company w.e.f. closure of business hours on 28th February, 2018 on attaining the age of superannuation.
2. Resigned as Directors w.e.f. 9th October, 2017.
3. Appointed as a Whole-time Director of the Company for a period of 3 years w.e.f. 1st March, 2018 subject to the approvals of members and such other approvals as may be required

BOARD EVALUATION

The Board has adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Your Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is made available on the Company's website.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards.

RISK MANAGEMENT

Your Company has a formal risk assessment and management system which periodically identifies risk areas, evaluates their consequences, initiates risk

mitigation strategies and implements corrective actions where required.

COMMITTEES OF THE BOARD

Ministry of Corporate Affairs vide its notifications dated 5th July, 2017 and 13th July, 2017 has amended the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Meetings of Board and its Powers) Rules, 2014 respectively, whereby it has been notified that the criteria / applicability in respect of appointment of Independent Directors and constitution of Audit Committee and Nomination and Remuneration Committee are no more applicable to the Company. Accordingly, the Board of Directors at the meeting held on 16th October, 2017 had dissolved the Audit Committee and Nomination and Remuneration Committee.

a) Audit Committee:

During the year under review, two committee meetings were held on 11th May, 2017 and 28th July, 2017.

The details of attendance of the members at the committee meeting during the year are given below:

Name of Members	Meetings	
	Held	Attended
Mr. Shyamal Joshi, Chairman	2	2
Mr. Rajesh S. Adani, Member	2	2
Ms. Nayanaben Gadhvi, Member	2	2

b) Nomination and Remuneration Committee:

During the year under review, one Committee meeting was held on 11th May, 2017.

The details of attendance of the members at the committee meeting during the year are given below:

Name of Members	Meetings	
	Held	Attended
Ms. Nayanaben Gadhvi, Chairperson	1	1
Mr. Pranav Adani, Member	1	-
Mr. Shyamal Joshi, Member	1	1

c) Corporate Social Responsibility Committee

During the year under review, your Company has reconstituted Corporate Social Responsibility Committee on 1st March, 2018. The present members of the CSR Committee comprises of Mr. Rajeev Sharma, Mr. Pranav V. Adani and Mr. Rajesh S. Adani.

The Company has identified Primary Education, Community Health, Sustainable Livelihood Development and Rural Infrastructure Development as the core sectors for CSR. The role and functions of the CSR Committee are in conformity with the

requirements of Section 135 of the Companies Act, 2013 and the rules made thereunder. The Annual Report on CSR activities is annexed herewith as Annexure-A which forms part of this report. The CSR Policy is available on the website of the Company.

During the year under review, one CSR Committee meeting was held on 11th May, 2017.

The details of attendance of the members at the committee meeting during the year are given below:

Name of Members	Meetings	
	Held during the tenure	Attended
Mr. Shridhar Tambraparni, Chairman ¹	1	1
Mr. Pranav V. Adani, Member	1	-
Ms. Nayanaben Gadhvi, Member ²	1	1

1. Resigned as a Director of the Company w.e.f. closure of business hours on 28th February, 2018. Accordingly, he also ceased as Member of the CSR Committee with effect from the said date.
2. Resigned as a Director of the Company w.e.f. 9th October, 2017. Accordingly, she also ceased as Member of the CSR Committee with effect from the said date.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated a vigil mechanism / Whistle Blower Policy to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the policy. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company at <http://www.adanigas.com>.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed to this Report as Annexure-B.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, read with rules made thereunder, an Internal Complaints Committee of the Group is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable. Suitable disclosure as required by the Indian Accounting Standard (Ind AS24) has been made in the notes to the Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

INSURANCE

The Company has taken appropriate insurance for all assets against foreseeable perils.

AUDITORS and AUDITORS' REPORT

The shareholders at their 12th Annual General Meeting (AGM) held on 8th August, 2017, approved the appointment of M/s. Shah Dhandharia and Co., Chartered Accountants (Firm Registration No.: 118707W), as Statutory Auditors of the Company, to hold office from the conclusion of the 12th AGM up to the conclusion of the 17th AGM for FY 2021-22.

Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company had appointed Mr. Ashwin Shah, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for FY 2017-18 is annexed, which forms part of this report as Annexure-C.

There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company except for appointment of woman director. The Board of Directors would like to inform that the Company is in the process of appointment of a Woman Director.

COST AUDIT REPORT

Your Company has re-appointed M/s N. D. Birla and Co., Cost Accountants to conduct audit of cost records maintained for Petroleum Products of the Company for the year ended 31st March, 2019. The Cost Audit Report for the year 2016-17 was filed before the due date with the Ministry of Corporate Affairs.

PARTICULARS OF EMPLOYEES

The Statement of Employees who are in receipt of remuneration in excess of limits prescribed under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the year under review is appended as an Annexure-D.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act,

2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as Annexure-E.

ACKNOWLEDGMENT

Your Directors are highly grateful for all the guidance, support and assistance received from the Government of India, Government of Gujarat, Financial Institutions and Banks. Your Directors thank all shareowners, esteemed customers, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Pranav V. Adani

Chairman

(DIN: 00008457)

Date: 10.05.2018
Place: Ahmedabad

ANNEXURE "A" TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

Your Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare and sustainable development of the society.

Your Company carried out/ implemented its CSR activities/ projects through Adani Foundation. The Company has identified Primary Education, Community Health, Sustainable Livelihood Development and Rural Infrastructure Development as the core sectors for CSR activities. The CSR Policy has been uploaded on the website of the Company at <http://www.adanigas.com>.

2. Composition of the CSR Committee:

- Mr. Rajeev Sharma, Chairman
- Mr. Pranav V. Adani, Member
- Mr. Rajesh S. Adani, Member

3. Average net profit of the Company for last three financial years:

Average net profit: ₹141.60 Crores.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company was required to spend ₹ 2.83 Crores towards CSR.

5. Details of CSR spend for the financial year:

- Total amount spent for the financial year: ₹ 2.83 Crores.
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Project Activities Sector	Sector	Location	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period.	Amount Spent Direct or through Implementing agency
					Direct Expenditure Projects or Programs	Overheads		
1	Adani Vidya Mandir	Education	Ahmedabad, Gujarat	₹ 2.85 Crore	₹ 2.83 Crore	-	₹ 7.09 Crore	Through Adani Foundation
2	Municipal School Empowerment Program	Education		-	-	-	₹ 1.00 Crore	
3	G-Auto Project	Sustainable Livelihood		-	-	-	₹ 0.26 Crores	
4	Medical Support to very Needy People	Community Health		-	-	-	₹ 0.40 Crores	

Activity Details:

Adani Foundation is the CSR arm of the Adani Group. Since its inception in 1996, the Foundation has been working in four core areas of Education, Community Health, Sustainable Livelihood Development and Rural Infrastructure Development to extend its support to communities. Working closely with the communities, we have been able to assume the role of a facilitator by creating an enabling environment for numerous families. Adani Foundation is currently operational in 13 states reaching out to 5 lac plus families from 1470 villages and

towns of India with a human-centric approach to make the processes sustainable, transparent and replicable. Adani Gas Limited as a business entity firmly believes and endorses notions of sustainable community development. Assuming the role of a responsible corporate, it strives to create an environment of coexistence where there is an equitable sharing of resources followed by sustained growth and development of the community around. Hence, Adani Gas has been promoting CSR activities through the Adani Foundation.

The Foundation believes that education is the stepping stone to improve the quality of life, especially for the needy and the most vulnerable. The main objective behind the educational initiatives is to provide 'quality' education with a unique learning experience to young minds. With an objective to provide the quality education to the children from underprivileged backgrounds, the company has contributed substantial amount for functioning of Adani Vidya Mandir.

Adani Vidya Mandir schools are providing completely cost-free quality education to 2,100 meritorious students from economically weaker section of the society and are operational in Ahmedabad, Bhadreshwar (Gujarat) and Surguja (Chhattisgarh). The first Adani Vidya Mandir was commissioned in 2008 in Ahmedabad, with the objective of providing free quality education to children from economically deprived families. The students are provided with free of cost transportation, uniform, textbooks, notebooks and meals. A number of community-based programs and activities are organized, which, coupled with a value-based curriculum, help students acquire academic capabilities while remaining rooted to their family structure and community values.

The direct impact of AVM initiative is on parents, siblings and students. The indirect impact is on the neighbors and their children. Parents feel proud because their children are studying in one of the best

schools, getting quality education for free and have ample opportunities to grow in their career. The behavioral skills of most of the children are substantially improved and there is a gradual improvement in reading, mathematics, general science, and social sciences. Siblings and neighbour's children are getting inspired by AVM students and want to be like them in terms of personality, behavior and spoken English. Long-term impact is seen in students who have graduated from AVM. Besides curricular, co-curricular and extra-curricular activities, the school provided additional coaching for the students taking the Board examinations.

Adani Gas had contributed ₹ 2.83 Crores to Adani Foundation for its Flagship Educational Initiative- Adani Vidya Mandir- Ahmedabad.

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof: N.A.
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

Rajeev Sharma
Chairman- CSR Committee
(DIN:00084188)

Pranav Adani
Director
(DIN:00008457)

ANNEXURE "B" TO THE DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U40100GJ2005PLC046553
Registration Date	:	5 th August, 2005
Name of the Company	:	Adani Gas Limited
Category / Sub-Category of the Company	:	Company limited by shares
Address of the Registered office and contact details	:	Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat, India Phone No. +91-79-26565555
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Link Intime India Private Limited 5 th Floor, 506-508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Off C. G. Road, Navrangpura, Ahmedabad – 380 009. Tel: +91-79-26465179 Fax : +91-79-26465179 E-mail: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Name and description of main Products/Services	NIC Code of the Product/ service	% to total turnover of the Company
CNG	3520	52%
PNG	3520	48%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Adani Gas Holdings Limited Adani House, Shrimali Society, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U11200GJ2010PLC062148	Holding Company	100%	2(46)
IndianOil - Adani Gas Private Limited Howe India House, 81 Nehru Place, 2 nd Floor New Delhi 110019	U40300DL2013PTC258690	Joint Venture	50%	2(6)

IV. SHARE HOLDING PATTERN (EQUITY CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY AS ON MARCH 31, 2018)

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	Promoter									
1	Indian									
a)	Individuals/ HUF	-	-	-	-	-	-	-	-	-
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	256740720	1320	256742040	100%	256740720	1320	256742040	100%	Nil
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Others	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	256740720	1320	256742040	100%	256740720	1320	256742040	100%	Nil
2	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	256740720	1320	256742040	100%	256740720	1320	256742040	100%	Nil
B.	Public Shareholding									
1	Institutions									
a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b)	Banks/FI	-	-	-	-	-	-	-	-	-
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)									
2	Non-institutions									
a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
i	Indian	-	-	-	-	-	-	-	-	-
ii	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals	-	-	-	-	-	-	-	-	-
i	Individuals shareholders holding nominal share capital up to ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	-	-	-	-	-	-	-	-	-
c)	Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C.	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	256740720	1320	256742040	100%	256740720	1320	256742040	100%	Nil

ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% shares pledged/ encumbered to total shares	
1	Adani Gas Holdings Limited (AGHL)^	256742040	100%	-	256742040	100%	-	-

^ Shares held by AGHL including seven nominees of AGHL

iii) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year				
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No change during the year.			
At the end of the year				

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

For each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year				
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
At the end of the year				

v) Shareholding of Directors and Key Managerial Personnel

For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year				
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None of the Directors and Key Managerial Personnel hold share in the Company except Mr. Naresh Poddar holding 100 shares and Mr. Hardik Sanghvi holding 220 shares as nominees of AGHL.			
At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	37,910.16	17,000.00	-	54,910.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	81.84	0.49	-	82.33
Total (i+ii+iii)	37,992.00	17,000.49	-	54,992.49
Change in Indebtedness during the financial year				
• Addition	24,530.23	20,000.00	-	44,530.23
• Reduction	27,759.16	37,000.49	-	64,759.65
Net Change	(3,228.93)	(17,000.49)	-	(20,229.41)
Indebtedness at the end of the financial year				
i) Principal Amount	34,763.08	-	-	34,763.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	101.84	-	-	101.84
Total (i+ii+iii)	34,864.92	-	-	34,864.92

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Shridhar Tambraparni, WTD ¹	Mr. Rajeev Sharma, WTD ²	Total Amount
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	116.33	16.61	132.94
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-		
	- others, specify	-		
5	Others, contribution towards PF etc.	8.31	1.23	9.54
	Total (A)	124.64	17.84	142.48
	Ceiling as per the Act	₹ 1,336.47 Lakhs (@5% of profits calculated as per Section 198 of the Companies Act, 2013).		

- Resigned as a Director of the Company w.e.f. closure of business hours on 28th February, 2018 on attaining the age of superannuation.
- Appointed as a Whole-time Director of the Company for a period of 3 years w.e.f. 1st March, 2018 subject to the approvals of members and such other approvals as may be required.

B. Remuneration to other Directors:

(₹ in Lakhs)

Particulars of Remuneration	Mr. Shyamal Joshi ¹	Ms. Nayanaben Gadhvi ¹	Total Amount
1. Independent Directors			
a) Fee for attending board, committee meetings	0.39	0.47	0.86
b) Commission	-	-	-
c) Others, please specify	-	-	-
Total (1)	0.39	0.47	0.86
2. Other Non-Executive Directors			
Particulars of Remuneration	Mr. Pranav Adani	Mr. Rajesh S. Adani	Total
a) Fee for attending board, committee meetings	-	-	-
a) Commission	-	-	-
b) Others, please specify	-	-	-
Total (2)	-	-	-
Total (1+2)	-	-	0.86

1. Resigned as Directors w.e.f. 9th October, 2017.**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Mr. Naresh Kumar Poddar - Chief Financial Officer	Total Amount
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67.72	67.72
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, Contribution towards PF, etc.	4.27	4.27
	Total	71.99	71.99

1. Mr. Hardik Sanghvi, Company Secretary is not drawing any remuneration from the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. Company					
Penalty	None				
Punishment					
Compounding					
B. Directors					
Penalty	None				
Punishment					
Compounding					
C. Other Officers in default					
Penalty	None				
Punishment					
Compounding					

ANNEXURE "C" TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

as on the financial year ended 31st March, 2018

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ADANI GAS LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Adani Gas Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Adani Gas Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit Period);
- The following laws, rules and the regulations as identified by the management are specifically applicable to the Company.

Legislation Name
1. Central Ground Water Authority Guidelines dated 15.11.2012
2. The Air (Prevention and Control of Pollution) Act, 1981.
3. The Environment (Protection) Act, 1986.
4. The Explosives Act, 1884.
5. The Gujarat State Disaster Management Act, 2003.
6. The Petroleum and Natural Gas Regulatory Board Act, 2006.

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain forms with additional fees.

The Company was not required to comply with the provision of other regulation listed in the Form No. MR-3 prescribed under the companies Rules, 2014 as there were no instance / events falling within the preview of these regulations during the financial year.

I further report that

The Board of Directors of the Company subject to appointment of woman director is constituted with proper balance of executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has:-

1. Passed a special resolution under Section 13 of the Companies Act, 2013 for alteration of the Main Object Clause of the Memorandum of Association of the Company.
2. Passed a special resolution under Section 62(3) of the Companies Act, 2013 authorizing Board of Directors to convert loans into equity to the extent of facility amount or such lesser amount as may be desired by the Lenders not exceeding limit approved by shareholders under Section 180(1)(c) of the Companies Act, 2013 from time to time.

Place: Ahmedabad

Date: 10.05.2018

CS Ashwin Shah

Company Secretary

C. P. No. 1640

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE A**' and forms an integral part of this report.

'ANNEXURE A' TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
ADANI GAS LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Date: 11.05.2018

CS Ashwin Shah

Company Secretary

C. P. No. 1640

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31st March 2018

(A) Names of the top ten employees in terms of remuneration

Sr. No.	Name	Designation	Remuneration (₹ in Lakh)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Yrs.)	Previous Employment
1	Mr. Rajeev Sharma ¹	Chief Executive Officer & Whole-time Director	245.93	B.E. (Civil)	36	17/11/2003	63	GAIL (India) Ltd.
2	Mr. Shridhar Tambraparni ²	Whole-time Director	124.64	B.Tech. (IIT) PGDBM	31	23/09/2004	60	Reliance Industries Ltd.
3	Mr. Bhashit Dholakia	Sr. Vice President	111.94	B.E., MBA	24	01/01/2013	50	Adani Energy Ltd.
4	Mr. Peeyush Tripathi	Sr. Vice President	73.24	B.E.	30	28/06/2007	54	Indraprasth Gas Ltd.
5	Mr. Naresh Poddar	CFO	71.99	CA, Masters in Business Finance	24	01/06/2016	42	Adani Synenergy Ltd.
6	Mr. R. B. Singh	Vice President	61.78	B.Sc. (Engineering), MBA	26	10/05/2004	54	Gujarat Gas Company Ltd.
7	Mr. Yogiraj Navathe	Vice President	60.66	B.E. (Civil)	25	01/04/2010	51	Adani Energy Ltd.
8	Mr. Amit Malik	General Manager	51.29	BE	19	16/09/2005	41	Indraprasth Gas Ltd.
9	Mr. Anirban Kapat	Associate General Manager (Head-HR)	47.90	MSW	22	01/08/2012	46	Adani Welspun Exploration Ltd.
10	Mr. Biren Patel	General Manager	47.26	PGDBM	20	11/03/2002	44	Vivro Forex Pvt. Ltd.

1. Appointed as Whole-time Director w.e.f. 01st March, 2018

2. Resigned as Director w.e.f. 28th February, 2018

(B) Personnel who are in receipt of remuneration aggregating not less than ₹ 1,02,00,000 per annum and employed throughout the financial year:

Sr. No.	Name	Designation	Remuneration (₹ in Lakh)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Yrs.)	Previous Employment
1	Mr. Rajeev Sharma ¹	Chief Executive Officer & Whole-time Director	245.93	B.E. (Civil)	36	17/11/2003	63	GAIL (India) Ltd.
2	Mr. Bhashit Dholakia	Sr. Vice President	111.94	B.E., MBA	24	01/01/2013	50	Adani Energy Limited

(C) Personnel who are in receipt of remuneration aggregating not less than ₹ 8,50,000 per month and employed for part of the financial year:

Sr. No.	Name	Designation	Remuneration (₹ in Lakh)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Yrs.)	Previous Employment
1	Mr. Shridhar Tambraparni ²	Whole-time Director	124.64	B.Tech. (IIT) PGDBM	31	23/09/2004	60	Reliance Industries Ltd.

Note:

- The above remuneration includes salaries, commission, contribution to Provident Fund, Medical reimbursement, LTC, bonus, if any and taxable value of perquisites.
- The nature of employment is contractual in all the above cases.
- None of the employees is related to any Director of the Company.

No individual employee is holding equivalent to or more than 2% of the outstanding shares of the Company as on 31st March, 2018.

ANNEXURE “E” TO THE DIRECTORS’ REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out as under:

(A) Conservation of Energy:

- (i) Steps taken or impact on conservation of energy:

The Company has replaced existing electric lamps to LED lamps during the financial year. All electric lamps will be replaced with LED in the next financial year. The Company has used energy efficient electric motors for all compressors and has used energy efficient fittings for all operations.

- (ii) Steps taken by the company for utilizing alternate sources of energy:

The Company is exploring the possibility of using solar based CNG stations.

- (iii) Capital investment on energy conservation equipment: Not Applicable

(B) Technology Absorption:

- (i) The efforts made towards technology absorption;

Your company is continuously improving on technology front. Entire billing of CNG has been shifted from manual to SCADA software. Further in domestic segment, the Company has introduced SPOT billing mechanism. Migrated to Syclo system which is linked to SAP ERP, to enable operator to log, resolve, requisite all activates related to O&M, customer care from remote location.

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

Moving to SADA software for billing will save man hours and will have accuracy in billing. By introducing SPOT billing, the cost of meter reading and collection will be reduced significantly. By implementing Syclo system manpower time is saved and efficiency can be improved.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported; NA

(b) the year of import; NA

(c) whether the technology been fully absorbed; NA

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and NA

- (iv) The expenditure incurred on Research and Development. NA

(C) Foreign Exchange Earnings and Outgo:

The particulars relating to foreign exchange earnings and outgo during the year under review are as under:

(₹ in Lakhs)		
Particulars	2017-18	2016-17
Foreign exchange earned	--	--
Foreign exchange outgo (including import of goods on CIF basis)	521.74	418.42

INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Gas Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of Adani Gas Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

Management's Responsibility for the 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 and presentation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

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

Other Matter

The comparative financial figures of the Company for the year ended 31st March 2017 included in these Financial Statements was audited by previous auditor, whose audit report on these comparative financial statements expressed unmodified opinion which we have relied upon.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- d) in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 and 44 (e) to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SHAH DHANDHARIA & CO.
Chartered Accountants
Firm Registration No. 118707W

Pravin Dhandharia

Partner

Date: 10.05.2018
Place: Ahmedabad

Membership No. 115490

Annexure – A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended 31st March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and Equipment, to the financial statements, are held in the name of the company, except for leasehold land.
- (ii) The inventory, other than stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted unsecured interest free loan to one party (Ultimate Holding

Company) covered in the register maintained under section 189 of the Act. According to the information and explanation given to us and the records produced to us, the terms and conditions of the grant of such loan are not prejudicial to the interest of the Company considering management's representation that loan is given considering the Company's economic interest and out of internal generations.

- (b) The schedule of repayment of principal value of interest free loan is stipulated and the receipt of the same is regular.
- (c) There are no amounts of loan granted to such companies which are overdue for more than ninety days.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has complied with the provisions of section 185 and 186 of the Act in respect of the loans and investments made, and guarantees provided by it.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the company's products/ services to which the said rules are made applicable and are of the opinion that prima facie the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, GST, service tax, duty of customs, entry tax, value added tax, cess and other material statutory dues have generally

been deposited regularly during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues as referred to above were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of provident fund, employees' state insurance, sales tax, wealth tax, excise duty, value added tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of service tax, income tax, duty of excise and Municipal Corporation Tax have not been deposited by the Company on account of disputes.

Name of Statute	Nature of the dues	Forum where dispute is pending	Amount (*) (₹ in Lakh)	Amount paid under protest (₹ in Lakh)	Period to which the amount relates
Central Excise Act, 1944	Excise Duty	Assessing Authority	1540.09	22.50	2006-07 to 2015-16
		Appellate Tribunal	565.53	21.21	2008-09 to 2013-14
		High Court	631.57	315.79	2006-07 & 2007-08
Finance Act, 1994	Service Tax	Assessing Authority	120.92	Nil	2008-09 to 2013-14
		Appellate Authority upto Commissioner's Level	4.85	0.36	2008-09 to 2012-13
		Appellate Tribunal	2424.18	300.65	2005-06, 2008-09 to 2011-12
Income Tax Act	Income Tax	Assessing Authority	41.14	41.14	2008-09
		Appellate Authority upto Commissioner's Level	65.48	Nil	2014-15
		Appellate Tribunal	157.73	30.90	2006-07, 2008-09 to 2013-14
		High Court	88.37	88.37	2007-08
Sales Tax Act	Sales Tax	Appellate Authority upto Commissioner's Level	8.21	Nil	2012-13
Municipal Corporation	Property Tax	Supreme Court	2016.10	2016.10	2010-11 to 2015-16

(*) Excluding Interest and Penalty where the notice does not specifies the same.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not defaulted in repayment of loans or borrowings from Banks and Financial Institutions. The Company has not taken any loan from government and has not issued any debentures.

(ix) Based upon the audit procedures performed, the company has not raised moneys by way of initial public offer or further public offer. In our opinion and as per the information and explanations given by the management, the Funds raised through debt instruments and term loans have been applied for the purpose they were raised.

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year.</p> <p>(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.</p> <p>(xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.</p> <p>(xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Ind AS Financial Statements as required by the applicable Accounting Standards.</p> | <p>(xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.</p> <p>(xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.</p> <p>(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.</p> |
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For SHAH DHANDHARIA & CO.
Chartered Accountants
Firm Registration No. 118707W

Pravin Dhandharia

Partner

Date: 10.05.2018
Place: Ahmedabad

Membership No. 115490

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause i of sub-section 3 of section 143 of the Companies Act 2013 (the Act).

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2018 in conjunction with our audit of the Ind AS Financial Statements of the company for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

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

include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For SHAH DHANDHARIA & CO.
Chartered Accountants
Firm Registration No. 118707W

Date: 10.05.2018
Place: Ahmedabad

Pravin Dhandharia
Partner
Membership No. 115490

BALANCE SHEET as at 31st March, 2018

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2018	As at 31.03.2017
ASSETS			
I NON-CURRENT ASSETS			
(a) Property, Plant & Equipment	3	86,816.42	80,189.81
(b) Capital Work-In-Progress	4	10,182.81	8,665.03
(c) Goodwill		2,549.18	2,549.18
(d) Other Intangible Assets	3	307.37	441.44
(f) Financial Assets			
(i) Investment	5	12,400.00	8,500.00
(ii) Other Financial Assets	6	1,901.78	905.92
(g) Income Tax Assets (Net)	7	316.75	241.32
(h) Other Non-current Assets	8	717.48	894.41
		115,191.79	102,387.11
II CURRENT ASSETS			
(a) Inventories	9	4,215.74	3,868.50
(b) Financial Assets			
(i) Investments	10	1,251.22	552.67
(ii) Trade Receivables	11	6,426.03	5,621.12
(iii) Cash & cash equivalents	12	2,383.30	1,564.49
(iv) Bank Balances other than (iii)	13	45.09	2.55
(v) Loans	14	35,916.31	48,529.22
(vi) Other Financial Assets	15	386.04	56.65
(c) Other Current Assets	16	1,671.66	3,398.31
		52,295.39	63,593.51
TOTAL		167,487.18	165,980.62
EQUITY AND LIABILITIES :			
I SHAREHOLDERS' FUNDS			
(a) Equity Share Capital	17	25,674.20	25,674.20
(b) Other Equity		63,114.95	45,810.36
Total Equity		88,789.15	71,484.56
LIABILITIES			
II NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	30,991.90	32,067.27
(ii) Other Financial Liabilities	19	23,251.78	20,214.25
(b) Provisions	20	230.52	218.17
(c) Deferred Tax Liabilities (net)		9,959.01	8,842.63
(d) Other Non Current Liabilities		-	-
		64,433.21	61,342.32
III CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	21	-	17,000.00
(ii) Trade Payables	22	6,068.61	5,267.45
(iii) Other Financial Liabilities	23	7,029.55	9,859.65
(b) Provisions	24	335.84	365.74
(c) Other Current Liabilities	25	604.77	660.90
(d) Income Tax Liabilities (Net)	26	226.05	-
		14,264.82	33,153.74
TOTAL		167,487.18	165,980.62

Significant Accounting Policies (Note 2)

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

As per our attached report of even date

For SHAH DHANDHARIA & CO.

Chartered Accountants

Firm Registration Number : 118707W

PRAVIN DHANDHARIA

Partner

Membership No. 115490

Place : Ahmedabad

Date : 10.05.2018

For and on behalf of the Board Adani Gas Ltd.

PRANAV ADANI

Director

DIN 00008457

NARESH PODDAR

CFO

Place : Ahmedabad

Date : 10.05.2018

RAJEEV SHARMA

Whole-time Director

DIN 00084188

HARDIK SANGHVI

Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2018

(₹ in Lakhs)			
Particulars	Notes	For the Year ended 31.03.2018	For the Year ended 31.03.2017
I Revenue from Operations	27	138,529.68	116,244.20
II Other Income	28	828.12	4,053.64
III Total Income (I+II)		139,357.80	120,297.84
IV EXPENSES			
Cost of Materials consumed	29	28,736.02	26,977.83
Purchase Of Stock In Trade	30	51,293.43	40,888.02
Changes In Inventory of Finished Goods, Work In Progress & Stock In Trade	31	64.08	40.88
Excise duty on Sale of Compressed Natural Gas (CNG)		8,398.54	7,543.95
Employee benefits expense	32	3,828.22	3,936.43
Finance costs	33	4,522.24	4,426.54
Depreciation and amortization expense	3	6,101.17	5,616.91
Other expenses	34	9,684.65	9,161.50
Total Expenses		112,628.35	98,592.06
V Profit/(Loss) for the year before Exceptional Items & Taxation (III-IV)		26,729.45	21,705.78
VI Exceptional items	35	-	(6,096.69)
VII Profit/(Loss) before Taxation (V-VI)		26,729.45	15,609.09
VIII Tax Expense:			
(1) Current Tax		8,282.00	4,654.46
(2) Adjustment of earlier years		45.08	14.42
(3) Deferred Tax		1,111.97	821.05
Total Tax Expenses		9,439.05	5,489.93
IX Profit/(Loss) for the year (VII-VIII)		17,290.40	10,119.16
X Other Comprehensive Income			
- Item that will be reclassified to Profit & Loss			
- Item that will not be reclassified to Profit & Loss			
(a) Remeasurement of employee benefit obligations		18.60	(50.94)
(b) Income tax relating to these items		(4.41)	17.63
Total Other Comprehensive Income		14.19	(33.31)
XI Total Comprehensive Income for the Year (IX+X)		17,304.59	10,085.85
XII Earning per Equity Share of ₹ 10/- each :	40		
- Basic		6.73	3.94
- Diluted		6.73	3.94

Significant Accounting Policies (Note 2)

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

As per our attached report of even date

For SHAH DHANDHARIA & CO.
Chartered Accountants
Firm Registration Number : 118707W

PRAVIN DHANDHARIA
Partner
Membership No. 115490

Place : Ahmedabad
Date : 10.05.2015

For and on behalf of the Board Adani Gas Ltd.

PRANAV ADANI
Director
DIN 00008457

NARESH PODDAR
CFO

Place : Ahmedabad
Date : 10.05.2018

RAJEEV SHARMA
Whole-time Director
DIN 00084188

HARDIK SANGHVI
Company Secretary

STATEMENT OF CASH FLOW for the year ended 31st March, 2018

(₹ in Lakhs)		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A CASHFLOW FROM OPERATIONS		
Net Profit Before Tax	26,729.45	15,609.09
Adjustment for:		
Depreciation/Amortization	6,101.17	5,616.91
Finance Cost	4,522.24	4,426.54
Interest Income	(127.32)	(3,248.55)
(Income)/Loss from Sale of Current Investments	(368.55)	(45.02)
(Gain)/Loss on Sale of Fixed Assets	28.69	142.09
Actuarial Gain/(Loss) Transferred to OCI	18.60	(50.94)
Provision for Doubtful Debt, Loans & Advances (Net)	(39.14)	33.35
Liabilities No Longer Required	(9.93)	(29.88)
Write-off for Doubtful Debt, Loans & Advances	189.92	-
Exceptional Item	-	6,096.69
Total Adjustments to Net Profit	10,315.68	12,941.19
Operating Profit Before Working Capital Changes	37,045.13	28,550.28
Adjustment for:		
Trade and Other Receivables	(1,091.73)	(1,479.86)
Inventories	(347.24)	1.32
Other Financial Assets	(174.18)	(65.17)
Other Non Financial Assets	1,764.15	1,118.11
Trade Payables	811.09	820.79
Provisions	(17.55)	153.21
Other Financial Liabilities	(767.33)	2,052.06
Other Non Financial Liabilities	(56.13)	(600.57)
Total Working Capital Changes	121.08	1,999.89
Cash Generated From Operations	37,166.21	30,550.17
Direct Tax (Paid)/ Refund	(8,176.46)	(4,712.55)
Net Cash From Operating Activities	28,989.75	25,837.62
B CASHFLOW FROM INVESTING ACTIVITIES		
Purchase/Additions to Fixed Assets & Capital Work in Progress	(14,140.54)	(12,367.83)
Capital Advances	139.43	(219.00)
Sale of Fixed Assets	0.36	112.91
Redemption/(Investment) in Deposits	(42.54)	(0.85)
Interest Received	110.13	3,234.49
Investment in Joint Venture	(4,900.00)	(3,250.00)
Gain on sale of Mutual Fund	368.55	45.02
Loans, Advances and Deposits given to/received back from Related Party	12,615.07	(17,879.91)
Net Cash Used in Investing Activities	(5,849.54)	(30,325.17)

STATEMENT OF CASH FLOW for the year ended 31st March, 2018

(₹ in Lakhs)		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
C CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds of Long Term Borrowings	24,530.23	28,490.66
Repayment of Long Term Borrowings	(27,677.32)	(1,458.82)
Proceeds/ Repayment from Commercial paper	(15,000.00)	(15,000.00)
Proceeds / Repayment of Short Term Borrowings	(2,000.00)	(4,600.00)
Interest Paid	(4,502.73)	(4,452.65)
Security Deposit from Customer & contractors	3,026.97	2,038.22
Net Cash Used for Financing Activities	(21,622.85)	5,017.41
D Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)	1,517.36	529.85
Cash and Cash Equivalents at the beginning of the year	2,117.16	1,587.31
Cash and Cash Equivalents at the end of the year	3,634.52	2,117.16
Components of cash and cash equivalents		
Cash on hand	7.68	10.58
Cheque on hand	-	-
Balances with Local banks		
- In Current Account	810.62	1,353.91
- In Fixed Deposit Account	1,565.00	200.00
Highly Liquid mutual Fund	1,251.22	552.67
Total cash and cash equivalents (Refer note 10 & 12)	3,634.52	2,117.16

Significant Accounting Policies (Note 2)

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

As per our attached report of even date

For SHAH DHANDHARIA & CO.

Chartered Accountants
Firm Registration Number : 118707W

PRAVIN DHANDHARIA

Partner
Membership No. 115490

Place : Ahmedabad

Date : 10.05.2018

For and on behalf of the Board Adani Gas Ltd.

PRANAV ADANI

Director
DIN 00008457

NARESH PODDAR

CFO

Place : Ahmedabad

Date : 10.05.2018

RAJEEV SHARMA

Whole-time Director
DIN 00084188

HARDIK SANGHVI

Company Secretary

STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2018

A. Equity Share Capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
As at 1st April 2016	256,742,040	25,674.20
Changes in the Equity Share Capital	-	-
As at 31st March 2017	256,742,040	25,674.20
Changes in the Equity Share Capital	-	-
As at 31st March 2018	256,742,040	25,674.20

(₹ in Lakhs)

Particulars	Retained Earnings
Balance as at 1st April 2016	35,724.51
Adjustments	
Add : Profit for the year	10,119.16
Other Comprehensive Income	
Remeasurement of employee benefit obligations	(33.31)
As at 31st March 2017	45,810.36
Balance as at 1st April 2017	45,810.36
Adjustments	
Add : Profit for the year	17,290.40
Other Comprehensive Income	
Remeasurement of employee benefit obligations	14.19
As at 31st March 2018	63,114.95

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For SHAH DHANDHARIA & CO.

Chartered Accountants
Firm Registration Number : 118707W

PRAVIN DHANDHARIA

Partner
Membership No. 115490

Place : Ahmedabad
Date : 10.05.2018

For and on behalf of the Board Adani Gas Ltd.

PRANAV ADANI

Director
DIN 00008457

NARESH PODDAR

CFO

Place : Ahmedabad
Date : 10.05.2018

RAJEEV SHARMA

Whole-time Director
DIN 00084188

HARDIK SANGHVI

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 1 - CORPORATE INFORMATION

Adani Gas Limited (AGL) was originally incorporated as Adani Energy (U.P.) Limited on 5th August 2005 as Public Limited Company under the Companies Act 1956 vide CIN U40100GJ2005PLC046553 and is having registered address at "Adani House", Nr. Mithakali Cross Roads, Ahmedabad and is having corporate office at 8th Floor, Heritage House, Nr. C.N.Vidhayala, Usmanpura, Ahmedabad - 380009. Subsequently Adani Energy (U.P.) Ltd. was renamed as Adani Gas Limited vide fresh Certificate of Incorporation consequent upon change of name dated 8th January, 2010. It is a wholly owned subsidiary of Adani Gas Holding Limited. The company carries on the activity of City Gas Distribution and distributes and transports Natural Gas to Domestic, Commercial, Industrial and Vehicle users. The company is presently operating in Ahmedabad, Vadodara, Faridabad and Khurja.

NOTE : 2 - SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION and PRESENTATION OF THE ACCOUNTS :-

a) STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

c) USE OF ESTIMATES

The preparation of financial statements in conformity with Ind AS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are

prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

Estimates and assumptions are required in particular for:

i) Useful life of tangible assets:

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

ii) Recognition of deferred tax assets:

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, 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 Income Tax Act, 1961. Deferred tax assets recognized to the extent of the corresponding deferred tax liability.

iii) 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 judgment is required in establishing fair values. Judgments 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31* March 2018

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 (b).

iv) Recognition and measurement of other provisions:

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

v) Defined benefit plans (Gratuity benefits):

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

d) CURRENT and NON-CURRENT CLASSIFICATION

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

e) INVENTORIES

- i) Inventories are valued at lower of cost or net realisable value.
- ii) Stores and Spares are valued at Cost or NRV whichever is less. Cost is determined on Weighted Average basis and comprises of expenditure incurred in the normal course of business in bringing inventories to their location and condition including appropriate overheads.
- iii) Quantity of CNG in cascades and Natural Gas in pipelines are estimated on a volumetric basis and are valued on Weighted Average basis considering lower of cost or net realisable value.
- iv) Net Realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

f) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENTS)

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

g) CASH FLOW STATEMENT

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

h) 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. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

- Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer, which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.
- However, sales tax/ value added tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
- i) Revenue on sale of natural gas is recognized on transfer of title to customers at delivery point. Sales are billed bi-monthly for domestic customers, fortnightly for commercial, Non commercial and Industrial Customer.
- ii) Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to customers from CNG stations.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31* March 2018

- iii) Gas Transportation Income is recognized in the same period in which the related volumes of gas are delivered to the customers.
- iv) Interest revenues are recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- v) Gas supplied to domestic customers for which billing have not been done as per the billing cycle is treated as stock and revenue for the same is accounted in the year in which Sales are billed.
- vi) Dividend income from investments is recognised when the Company's right to receive payment is established.

i) PROPERTY, PLANT and EQUIPMENTS

- i) Property, Plant and Equipment's, including Capital Work in Progress, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses and net of taxes (net of Cenvat and VAT credit wherever applicable).
- ii) All direct cost attributable to respective assets are capitalized to the assets. Other indirect expenses are capitalized to assets in proportion of the value of the assets. Borrowing cost relating to acquisition / construction of Property, Plant and Equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- iii) Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment's, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss for the period during which such expenses are incurred.
- iv) Spare parts or stores meeting the definition of PPE, either procured along with equipment or subsequently, are capitalized in the asset's carrying amount or recognized as separate asset, if appropriate. However cost of day to day servicing are recognized in profit or loss as incurred. Cost of day to day service primarily

include costs of labor, consumables and cost of small spare parts.

- v) Leasehold land is carried at cost, comprising of Lease Premium and expenses on acquisition thereof, as reduced by accumulated amortization.
- vi) The Natural Gas (NG) distribution systems for PNG connections commissioned on commencement of supply of gas to the individual consumers.
- vii) The CNG outlets are commissioned on commencement of sale of CNG to the customers.
- viii) An item of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.
- ix) The cost of Fixed Assets not put to use before the year end and Capital Inventory, are disclosed under capital work-in-progress.
- x) Expenditure incurred during the period of construction including, all direct and indirect overheads, incidental and related to construction is carried forward and on completion, the costs are allocated to the respective fixed assets.
- xi) Depreciation on assets acquired/ disposed off during the year provided on pro-rata basis with reference to date of addition/ disposal.
- xii) Property, Plant and Equipment are depreciated on straight line basis over the estimated useful lives as follow:

Assets Class	Estimated Useful Life
Compressors	8 years
Dispensers	8 years
Canopy	10 years
Cascades	15 years
Steel Pipes & Fittings	20 years
PE pipes & Fittings	20 Years
Mobile Devices	100% in the year of incurrence

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31* March 2018

j) INTANGIBLE ASSETS

- i) Intangible assets are recorded at the consideration paid for acquisition and are amortized over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.
- ii) Goodwill acquired as a result of demerger of CGD business from Adani Energy Ltd is measured at net value as at 31-Mar-15. As per the requirements of Ind AS, Goodwill shall not be amortization but will be checked for impairment at regular intervals of time when there are certain indications that the operations of the company or any of its unit is impaired.
- iii) Intangible assets are amortised on straight line basis over their estimated useful life as below:

Assets Class	Estimated Useful Life
Leased Hold Land	Over the period of lease
Right of Use of Land	Over the period of Rights

k) 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 and Loss.

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 a Company entity are

recognised at the proceeds received, net of direct issue costs.

A) Financial Assets

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

The measurement of financial assets depends on their classification, as described below:

1) At amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met: (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and (b) Contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

2) At Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is classified as at the FVTOCI if both of the following criteria are met: a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI) and on derecognition, cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss. For equity

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31* March 2018

instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

3) At Fair Value through Profit & Loss (FVTPL)

FVTPL is a residual category for debt instruments and default category for equity instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Derecognition

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

Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company assesses on a forward looking basis the expected credit losses associated with its receivables based on historical trends and past experience. The Company follows 'Simplified Approach' for recognition of impairment loss allowance on all trade receivables or contractual receivables. Under the simplified approach the Company does not track changes in credit risk, but it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for

impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the Statement of Profit and Loss.

B) Financial Liabilities

Financial liabilities are classified, at initial recognition as at amortised cost or fair value through profit or loss. The measurement of financial liabilities depends on their classification, as described below:

At amortised cost: This is the category most relevant to the Company. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

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 such. Subsequently, any changes in fair value are recognised in the Statement of Profit and Loss.

Derecognition of Financial Liability: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments such as forward and options currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised and subsequently measured at fair value through profit or loss (FVTPL). Derivatives are carried as financial assets when the fair value is positive and as financial

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivative financial instrument are recognised in the Statement of Profit and Loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

i) FOREIGN CURRENCY TRANSACTIONS

i) Functional and presentation currency

The financial statements are presented in Indian Rupee (INR), which is entity's functional and presentation currency.

ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency, for initial recognition, using the exchange rates at the dates of the transactions.

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss with the exception of exchange differences arising on long-term foreign currency monetary items recognised in the financial statements as at March 31, 2018 and related to acquisition of a fixed assets and such differences are capitalised and depreciated over the remaining useful life of the related asset. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

m) EMPLOYEE BENEFITS

Employee benefits includes gratuity, compensated absences, contribution to provident fund, employees' state insurance and superannuation fund.

A) Short-term Employee Benefits

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

B) Post-employment Benefits

i) Defined Benefit Plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary, using the projected unit credit method. The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net balance of defined benefit liability or asset.

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

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

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

ii) Defined Contribution Plans

Retirement benefits in the form of provident fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31* March 2018

received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

iii) Other Long-term employee benefits

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

- iv) The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve month after the reporting date.

n) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

o) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting to management. For management purposes, the Company is organised into business units based on its products and services.

The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected in the financial statements themselves as at and for the financial year ended March 31, 2018.

p) RELATED PARTY TRANSACTIONS

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

q) LEASES

- i) 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. A lease is classified at the inception date as a finance lease or an operating lease. 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.
- ii) Lease arrangement where risk and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as Operating Leases. The company's leasing arrangements are in respect of operating lease for office premises. The aggregate lease rent payable is charged as rent including lease rentals.

r) EARNING PER SHARE

Basic EPS has been computed by dividing the profit for the year available to attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the accounting year. Diluted EPS has been computed by dividing the profit attributable to equity holders of the parent (after adjusting for costs associated with dilutive potential equity shares) by the weighted average number of equity shares and dilutive potential equity shares outstanding during the accounting year.

s) TAXES ON INCOME

i) DEFERRED TAXATION

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized,

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

ii) CURRENT TAXATION

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Current tax items, relating to items recognised outside the statement of profit and loss, are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961.

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

e) 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.

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.

u) PROVISIONS, CONTINGENT LAIBILITIES & CONTINGENT ASSETS

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

v) EXCEPTIONAL ITEMS

Exceptional items are generally non-recurring items of income and expense within profit or loss from ordinary activities, which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2018

NOTE : 3 PROPERTY, PLANT & EQUIPMENTS & INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	Tangible Assets										Intangible Assets		
	Free- hold	Lease- hold	Building	Office Equip- ment	Computer	Vehicles Equip- ment	Furniture	Stores	Plant & Machi- nery	Total Equip- ment	Computer Machi- nery	Right of Use of Land	Total
Year Ended 31 st March 2017													
Gross Carrying Value													
Opening Gross Carrying Amount	1,652.96	4,402.82	4,937.37	244.17	129.11	35.75	866.01	36.08	65,600.83	77,905.11	507.93	11.71	519.64
Addition during the Year	-	28.55	455.31	150.58	195.83	-	35.87	-	12,184.12	13,050.26	257.99	-	257.99
Deduction during the Year	-	79.45	147.03	0.11	0.45	-	34.92	-	28.20	290.16	-	-	-
Transfer	-	-	-	8.90	(13.75)	-	5.13	(36.08)	35.79	-	-	-	-
Closing Gross Carrying Value	1,652.96	4,351.92	5,245.64	403.55	310.74	35.75	872.09	-	77,792.55	90,665.21	765.92	11.71	777.63
Accumulated Depreciation													
Opening Accumulated Depreciation	-	53.41	83.87	75.06	39.31	6.97	202.83	4.26	4,602.34	5,068.05	156.41	5.38	161.79
Depreciation during the year	-	52.32	104.96	79.10	55.60	6.88	158.01	-	4,985.64	5,442.51	169.60	4.80	174.40
Disposals	-	7.78	3.71	0.06	0.45	-	12.27	-	10.89	35.16	-	-	-
Transfer	-	-	-	0.30	(1.01)	-	0.71	(4.26)	4.26	-	-	-	-
Closing Accumulated Depreciation	-	97.95	185.12	154.40	93.45	13.85	349.28	-	9,581.35	10,475.39	326.01	10.18	336.19
Net Carrying Amount	1,652.96	4,253.97	5,060.53	249.15	217.29	21.90	522.81	-	68,211.20	80,189.81	439.91	1.53	441.44
Year Ended 31 st March 2018													
Gross Carrying Value													
Opening Gross Carrying Amount	1,652.96	4,351.92	5,245.64	403.55	310.74	35.75	872.09	-	77,792.55	90,665.21	765.92	11.71	777.63
Addition during the Year	-	-	105.51	46.92	270.20	-	36.90	-	12,150.42	12,609.95	12.81	-	12.81
Deduction during the Year	-	-	-	0.42	0.46	10.04	-	-	111.11	122.03	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Value	1,652.96	4,351.92	5,351.15	450.05	580.48	25.71	908.99	-	89,831.86	103,153.13	778.73	11.71	790.44
Accumulated Depreciation													
Opening Accumulated Depreciation	-	97.95	185.12	154.40	93.45	13.85	349.28	-	9,581.35	10,475.39	326.01	10.18	336.19
Depreciation during the year	-	49.17	119.85	76.83	93.48	6.61	134.77	-	5,473.58	5,954.29	145.46	1.42	146.88
Disposals	-	-	-	0.42	0.27	6.86	-	-	85.42	92.97	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	147.12	304.97	230.81	186.66	13.60	484.05	-	14,969.51	16,336.71	471.47	11.60	483.07
Net Carrying Amount	1,652.96	4,204.80	5,046.19	219.24	393.81	12.11	424.94	-	74,862.36	86,816.42	307.26	0.11	307.37

Notes:

- Lease hold land is amortised over a period of lease. Amount of amortisation for the current year is shown in depreciation column.
- Impairment of Fixed Assets Management has carried out a review of the carrying value of assets as March 31, 2018 in accordance with the provisions of Ind AS - 36 Impairment of Assets. Based on this review, the management is of the opinion, that there are no impairment indicators that necessitate any adjustments to the carrying value of the assets. The same has been relied by the auditor.
- For Securities refer note no 18

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 4 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Work in Progress including Capital Inventory	10,182.81	8,665.03
	10,182.81	8,665.03

NOTE : 5 NON CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Investment in Equity Instruments		
Unquoted-Trade Investment		
In Joint Venture		
12,40,00,000 (P.Y 8,50,00,000) shares of Indian Oil-Adani Gas Pvt. Ltd. of ₹ 10/- each	12,400.00	8,500.00
	12,400.00	8,500.00
Aggregate value of unquoted investments	12,400.00	8,500.00

NOTE : 6 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Other Receivable from Related Parties	-	189.89
Security Deposits		
Unsecured, considered good		
- With Government	211.83	197.54
- With Others	507.76	350.06
Interest Accrued and due on deposit	179.37	165.40
Interest Accrued and not due on deposit	2.82	3.03
Share application money pending allotment		
JV-Indian Oil-Adani Gas Pvt. Ltd	1,000.00	-
	1,901.78	905.92

Note: Refer note no:43 for Related Party Balances

NOTE : 7 INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance Payment of Income Tax (net of current tax provision)	316.75	241.32
	316.75	241.32

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 8 OTHER NON CURRENT ASSETS (Unsecured, Considered Good)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Balance with Government Authorities	613.24	650.74
Advance against Expenses		
Unsecured, considered good		
- Capital Advances	104.24	243.67
	717.48	894.41

Note: Refer note no:43 for Related Party Balances

NOTE : 9 INVENTORIES (At cost or net realisable value whichever is lower)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Stock in trade / Finished Goods	674.55	738.63
Stores and spares	3,541.19	3,129.87
	4,215.74	3,868.50

NOTE : 10 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unquoted Mutual Funds		
28885.899(P.Y: NIL) Units in Indiabulls Liquid Fund - Direct Plan Growth (LFG1) of ₹ 1000 each	490.55	-
7944.246 (P.Y: NIL) Units in LIC NOMURA MF Liquid Fund - Direct - Growth Plan - Growth of ₹ 1000 each	250.37	-
26668.891 (P.Y: NIL) Units in Peerless Liquid Fund - Direct Plan - Growth of ₹ 1000 each	510.30	-
NIL (P.Y: 261,485.006) Units in DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Growth of ₹ 100 each	-	552.67
	1,251.22	552.67
Aggregate value of unquoted investments	1,251.22	552.67

NOTE : 11 TRADE RECEIVABLES (Unsecured, considered good unless stated otherwise)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(i) Unsecured, considered good	6,426.03	5,621.12
(ii) Doubtful	34.13	73.27
	6,460.16	5,694.39
(iii) Provision for doubtful receivable	(34.13)	(73.27)
	6,426.03	5,621.12

Note: Refer note no:43 for Related Party Balances

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 12 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
i) Balances with banks		
- In Current Account	810.62	1,353.91
- In Fixed Deposit Account	1,565.00	200.00
ii) Cash on hand	7.68	10.58
	2,383.30	1,564.49

NOTE : 13 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Deposits with original maturity over 3 months but less than 12 months	45.09	2.55
	45.09	2.55

NOTE : 14 CURRENT LOANS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Loans to related parties	35,891.02	48,506.09
Loan to employees	25.29	23.13
	35,916.31	48,529.22

Note: Refer note no:43 for Related Party Balances

NOTE : 15 OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Interest Accrued and Not Due on deposit	8.21	4.78
Other Receivables from Related Parties	377.83	51.87
	386.04	56.65

Note: Refer note no:43 for Related Party Balances

NOTE : 16 OTHER CURRENT ASSETS (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Advance against expenses	303.34	120.34
Balance with Government Authorities	1,356.33	2,889.96
Prepaid Expenses	11.99	388.01
	1,671.66	3,398.31

Note: Refer note no:43 for Related Party Balances

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 17 SHARE CAPITAL

PARTICULARS	AS AT 31.03.2018		AS AT 31.03.2017	
	No. of Share	(₹in Lakhs)	No. of Share	(₹in Lakhs)
AUTHORISED				
Equity Shares of ₹ 10/- each	2600000000	26,000.00	2600000000	26,000.00
	2600000000	26,000.00	2600000000	26,000.00
ISSUED, SUBSCRIBED & PAID-UP				
Equity shares of ₹ 10/- Each Fully Paid up	256742040	25,674.20	256742040	25,674.20
	256,742,040	25,674.20	256,742,040	25,674.20

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

PARTICULARS	AS AT 31.03.2018		AS AT 31.03.2017	
	No. of Share	(₹in Lakhs)	No. of Share	(₹in Lakhs)
At the beginning of the year	256742040	25,674.20	256742040	25,674.20
Issued during the period	-	-	-	-
Outstanding at the end of the year	256,742,040	25,674.20	256,742,040	25,674.20

(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 no. of equity shares held by the shareholders. The company declares and pays dividends in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend.

(c) Shares held by holding/ultimate holding company and/ or their subsidiaries/ associates

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

Equity shares of ₹ 10/- Each Fully paid

PARTICULARS	AS AT 31.03.2018		AS AT 31.03.2017	
	No. of Share	(₹in Lakhs)	No. of Share	(₹in Lakhs)
Adani Gas Holdings Ltd. (along with its nominees)	256742040	25,674.20	256742040	25,674.20

(d) Details of shareholders holding more than 5% shares in the company

Equity shares of ₹ 10/- Each Fully paid

PARTICULARS	AS AT 31.03.2018		AS AT 31.03.2017	
	No. of Share	% holding the Class	No. of Share	% holding the Class
Adani Gas Holdings Ltd. (along with its nominees)	256,742,040	25,674.20	256,742,040	25,674.20

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 18 LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Term loans - Secured		
From Bank	30,991.90	32,067.27
	30,991.90	32,067.27

Notes:

Repayment terms and Security Details:

- Long Term Rupee Term Loan of ₹ 13,995 Lakhs is repayable in 16 Quarterly Installment of ₹ 388.75 Lakhs each from F.Y 19 to F.Y 22, 11 Quarterly Installments of ₹ 622 Lakhs each from F.Y 23 to Q3 F.Y. 25 and final installment of ₹ 933 Lakhs in Q4 F.Y 25 and said loan carries Interest Rate equal to the benchmark rate, presently @ 8.35% and is payable on monthly basis and secured by:- A First Pari passu charge by way of Hypo. on all the Company's movables including Movable P&M and all other movable assets, present and future located Vadodara, Faridabad and Khurja.-A Second Pari Passu charge on the Company's Current Assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future.
- Long Term Rupee Term Loan of ₹ 13,209.19 Lakhs is repayable at 17 Quarterly Installment of ₹ 357 Lakhs each from F.Y 19 to Q1 F.Y 23, 10 Quarterly Installments of ₹ 571.20 Lakhs each from Q2 F.Y 23 to Q3 F.Y. 25 and installment of ₹ 785.41 Lakhs in Q4 F.Y 25 and final installment of ₹ 642.61 Lakhs in Q1 F.Y 26 and said loan carries Interest Rate equal to the benchmark rate, presently @ 8.20% and is payable on monthly basis and secured by:- A First Pari passu charge by way of Hypo. on Movable Properties at Ahmedabad, Vadodara, Faridabad and Khurja.- A Second Pari Passu charge on the Borrower's Current Assets.
- Long Term Rupee Term Loan of ₹ 7,790 Lakhs is repayable in 18 Quarterly Installment of ₹ 205 Lakhs each from F.Y 19 to Q2 F.Y 23, 8 Quarterly Installments of ₹ 328 Lakhs each from Q3 F.Y 23 to Q2 F.Y. 25 and 4 Quarterly Installments of ₹ 369 Lakhs each from Q3 F.Y. 25 to Q2 F.Y 26 and said loan carries Interest Rate equal to the benchmark rate, presently @ 8.50% and is payable on monthly basis and secured by :- A First Pari passu charge by way of Hypo. on Movable Assets at Ahmedabad, Vadodara, Faridabad and Khurja.- A Second Pari Passu charge on the Company's Current Assets, Account Assets and Receivables
- For Current maturities of Long term borrowing refer Note No-23 Other Current Financial Liabilities

NOTE : 19 OTHER LONG TERM FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Retention Money	84.22	131.75
Security Deposit From Customers	23,167.56	20,082.50
	23,251.78	20,214.25

Note:

- Deposits from all Customers of natural gas refundable on termination / alteration of the gas sales agreements are considered as long term liabilities.
- Retention Money is considered as long term liabilities considering the long term contracts with them.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 20 LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Gratuity (refer note 42)	-	-
Provision for Leave Encashment (refer note 42)	230.52	218.17
	230.52	218.17

NOTE : 21 SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured Borrowings		
Commercial Paper	-	15,000.00
Term Loan - Unsecured		
From Bank	-	2,000.00
	-	17,000.00

Note:

Company has availed CC & Non Fund Based facilities and same is secured by:

- A First Pari passu charge on Immovable properties of the Ahmedabad for ₹ 158 crores.
- Pari-passu first charge on Current Assets of the Company pertaining to Ahmedabad project for ₹ 233 crore.
- First pari passu charge on Stock, Book-debts and receivables (excluding plant and machinery and movable assets of the Company) both present and future.

NOTE : 22 TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Trade payables		
- Micro, small and medium enterprise	-	3.08
- Others	6,068.61	5,264.37
	6,068.61	5,267.45

Note:

- a) Refer note no:43 for Related Party Balances
- b) Disclosures required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006
 - i) Principal amount remaining overdue unpaid to any supplier as at the end of the accounting year
 - ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year
 - iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed date
 - iv) The amount of interest due and payable for the year
 - v) The amount of interest accrued and remaining unpaid at the end of the accounting year
 - vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 23 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Current maturities of long term debt (refer sub note of note 18 for security offered)		
- Loan from Bank	3,771.18	5,842.90
Total	3,771.18	5,842.90
Interest accrued but not due on borrowings	101.84	82.33
Security Deposit from Contractor	102.02	160.11
Other payables		
- Creditors for Capital Goods	2,163.55	3,070.61
- Retention Money	890.96	703.66
- Others	-	0.04
	7,029.55	9,859.65

NOTE : 24 SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Gratuity (refer note 42)	254.03	256.18
Provision for Leave Encashment (refer note 42)	81.81	109.56
	335.84	365.74

NOTE : 25 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Statutory Dues Payable (includes TDS, GST,VAT, PF etc.)	426.26	521.14
Customer Advances	178.51	139.76
	604.77	660.90

NOTE : 26 INCOME TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Tax (net of advance tax and tax deducted at source)	226.05	-
	226.05	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 27 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Sale of Goods	1,36,926.76	1,14,867.46
Sale of Services	986.71	846.75
Other Operating revenues	616.21	529.99
	1,38,529.68	1,16,244.20

NOTE : 28 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Interest Income	127.32	3,248.55
Foreign Exchange Gain	-	2.43
Net Gain on sale of Current Investments	368.55	45.02
Liabilities no longer required written back	9.93	29.88
Sale of Stores and Spares	18.61	426.67
Other non-operating income	56.57	53.95
Corporate Guarantee Income	247.14	247.14
	828.12	4,053.64

NOTE : 29 COST OF RAW MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Opening Stock	-	-
Add : Transfer from Purchase of Stock in trade	28,736.02	26,977.83
	28,736.02	26,977.83
Less : Closing Stock	-	-
	28,736.02	26,977.83

NOTE : 30 PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Purchase of Stock in Trade	80,029.45	67,865.85
Less: Transfer for CNG Conversion	28,736.02	26,977.83
	51,293.43	40,888.02

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 31 CHANGES IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Opening stock of Finished Goods / Stock in Trade	738.63	779.51
Less: Closing Stock of Finished Goods / Stock in Trade	674.55	738.63
	64.08	40.88

NOTE : 32 EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Salaries and wages	2,514.20	2,469.03
Contractual Manpower Expenses	842.23	1,001.64
Contribution to provident and other funds	216.46	189.68
Staff Welfare Expenses	255.33	276.08
	3,828.22	3,936.43

NOTE : 33 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
I. Interest		
Interest on Term Loan	3,184.74	1,624.75
Interest on Security Deposit	283.26	292.87
Interest on Commercial Paper	843.09	2,359.70
Interest on Income Tax	4.41	27.16
Interest Others	1.73	34.62
II. Other Borrowing Cost		
Bank & Other Finance Charges	205.01	87.44
	4,522.24	4,426.54

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE:34 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Consumption of stores and spare parts	960.92	1,064.10
Power and fuel	2,679.78	2,268.71
Transportation Charges	332.85	308.07
Foreign Exchange Loss	8.56	-
Security Expenses	203.58	123.81
Commission & Brokerage	122.09	567.77
Rent	240.49	218.92
Repairs to buildings	162.67	146.55
Repairs to machinery	1,661.23	1,233.83
Repairs to Others	160.56	151.71
Insurance	36.06	47.35
Rates and taxes	354.70	366.04
Legal and Professional Fees	918.36	787.49
Travelling and Conveyance Expenses	396.55	345.26
Advertisement and Business Promotion Expenses	164.52	340.74
Office Expenses	81.14	84.22
Communication & IT Expenses	464.46	374.68
Printing and Stationery Expenses	103.93	94.43
Donation	26.00	161.50
Corporate Social Responsibility Expenses (refer note 41)	283.20	228.52
Director Sitting Fees	1.12	2.28
Payment to Auditors		
(i) Statutory Audit Fees	9.30	6.50
(ii) Tax Audit Fees	-	2.00
(iii) Other Attestation Services	0.27	1.08
Miscellaneous expenses	132.84	60.50
Provision for Doubtful Debt, Loans & Advances (Net)	(39.14)	33.35
Write-off for Doubtful Debt, Loans & Advances	189.92	-
Loss on Sale on Property, Plant & Equipment	28.69	142.09
	9,684.65	9,161.50

NOTE:35 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Abandoned Project Write Off	-	6,096.69
	-	6,096.69

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

Note : 36 INCOME TAX EXPENSE

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

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Deferred Tax Liabilities on account of		
Timing difference between books and tax depreciation	10,205.53	9,097.84
Ind As Adjustment on following:		
Ancillary Borrowing cost	-	5.83
Total	10,205.53	9,103.67
Deferred Tax Assets on account of		
Leave Encashment & Gratuity	197.91	202.08
Provision for Doubtful debts	11.93	25.36
Bonus	36.69	33.60
Total	246.52	261.04
	9,959.01	8,842.63

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

This note presents the reconciliation of Income Tax charged as per the Tax Rate specified in Income Tax Act, 1961 and the actual provision made in the Financial Statements as at 31st March 2018 and 31st March 2017 with breakup of differences in Profit as per the Financial Statements and as per Income Tax Act, 1961.

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Profit Before Tax	26,729.45	15,609.09
Tax Rate for Corporate Entity as per I. Tax Act, 1961	34.61%	34.61%
Tax Expense as per Income Tax Act, 1961	9,250.53	5,402.07
Tax Effect of Non Deductible Items under Income Tax Act		
CSR Expenses	49.00	39.54
Donation	4.50	28.03
Interest on Income Tax	1.66	9.40
Changes in Tax Rate	95.76	-
Tax Adjustments of earlier years	45.08	14.42
Others	(7.48)	(3.54)
	9,439.05	5,489.93

Note : 37 FINANCIAL INSTRUMENTS AND RISK REVIEW

a) Accounting Classification and Fair Value Hierarchy

Financial Assets and Liabilities

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

Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable on unobservable and consists of the following three levels:

Level-1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level-2 : Inputs are other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

Level-3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following tables summarises carrying amounts of financial instruments by their categories and their levels in fair value hierarchy for each year end presented.

As at 31st March, 2018 :

Particulars	Fair Value through profit or loss (Level-2)	Amortised cost	Total
Financial Assets			
Cash and cash equivalents	-	2,383.30	2,383.30
Other Bank balances	-	45.09	45.09
Investments	1,251.22	-	1,251.22
Trade Receivables (including bill discounted)	-	6,426.03	6,426.03
Loans	-	35,916.31	35,916.31
Other Financial assets	-	2,287.82	2,287.82
Total	1,251.22	47,058.55	48,309.77
Financial Liabilities			
Borrowings (including the bills discounted)	-	30,991.90	30,991.90
Trade Payables	-	6,068.61	6,068.61
Other Financial Liabilities	-	30,281.33	30,281.33
Total	-	67,341.84	67,341.84

As at 31st March, 2017 :

Particulars	Fair Value through profit or loss (Level-2)	Amortised cost	Total
Financial Assets			
Cash and cash equivalents	-	1,564.49	1,564.49
Other Bank balances	-	2.55	2.55
Investments	552.67	-	552.67
Trade Receivables (including bill discounted)	-	5,621.12	5,621.12
Loans	-	48,529.22	48,529.22
Other Financial assets	-	962.57	962.57
Total	552.67	56,679.95	57,232.62
Financial Liabilities			
Borrowings (including the bills discounted)	-	49,067.27	49,067.27
Trade Payables	-	5,267.45	5,267.45
Other Financial Liabilities	-	30,073.90	30,073.90
Total	-	84,408.62	84,408.62

Notes:

- Investments exclude Investment in Joint Ventures.
- Carrying amounts of current financial assets and liabilities as at the end of the each year presented approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of other non-current financial assets and liabilities subsequently measured at amortised cost is not significant in each of the year presented.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

b) 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 that risks are identified, measured and managed in accordance with the Company's policies and risk objectives., the Company is mainly exposed to risks resulting from interest rate risk, credit risk and liquidity risk.

Interest risk

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Companies risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for interest rate risk. The Group's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

In case of fluctuation in interest rates by 50 basis points and all other variables were held constant, the Company's profit for the year would increase or decrease as follows :

(₹ in Lakhs)		
Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Impact on profit for the year	174.97	271.90

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the company. The company has adopted the policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial losses from default. The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. Cash are held with creditworthy financial institutions.

Liquidity risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

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.

As at 31st March, 2018 :

(₹ in Lakhs)				
Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	3,803.02	23,118.54	8,072.65	34,994.21
Other Non Current Financial Liability	-	-	23,251.78	23,251.78
Other Current Financial Liability	3,258.37	-	-	3,258.37
Trade Payables	6,068.61	-	-	6,068.61
Total	13,130.00	23,118.54	31,324.43	67,572.97

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

As at 31st March, 2017 :

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	22,850.98	31,090.20	1,000.00	54,941.18
Other Non Current Financial Liability	-	-	20,214.25	20,214.25
Other Current Financial Liability	4,016.75	-	-	4,016.75
Trade Payables	5,267.45	-	-	5,267.45
Total	32,135.18	31,090.20	21,214.25	84,439.62

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company monitors capital using gearing ratio, which is net debt (borrowing as detailed in note 18, 21 and 23 less cash and bank balances) divided by total capital plus debt.

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Total Borrowings (Refer note 18, 21 and 23)	34,763.07	54,910.17
Less: Cash and bank balance (Refer note 12 and 13)	2,428.39	1,567.04
Net Debt (A)	32,334.68	53,343.13
Total Equity (B)	88,789.15	71,484.56
Total Equity and Net Debt (C=A+B)	121,123.84	124,827.69
Gearing Ratio	27%	43%

Management monitors the return on capital, as well as the level of dividends to equity shareholders. The company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

NOTE : 38 Contingent Liabilities and Commitments:

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
A) Contingent Liabilities		
a) Pending labour matters contested in various courts	65.67	79.63
b) Cases pending in Consumer Forums	2.04	2.34
c) Cases pending in MACT	10.00	10.00
d) In respect of Service tax, Excise Duty and VAT	5,295.35	4,150.52
f) In respect of Income tax	352.72	733.31
g) Special Civil Suits	25.00	25.00
h) Corporate Guarantee on behalf of JV company	247,138.00	247,138.00
i) Case pending in CCI	2,567.00	2,567.00
Total A	255,455.79	254,705.81
B) Commitments		
i) Capital		
Estimated amount of contracts on capital account to be executed and not provided for (Net of advances)	1,146.82	2,349.52
Total B	1,146.82	2,349.52
Total (A+B)	256,602.61	257,055.33

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 39 OPERATING LEASES

Disclosure as required by the IND AS 17, "Leases" as prescribed under Companies (Accounting Standard) Rules, 2015 (as amended) are given below:

- The aggregate lease rentals payable are charged to the Statement of Profit and Loss as Rent in Note 35
- The leasing arrangements which are cancellable at any time on month to month basis and in some cases between 11 months to 5 years are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally interest free refundable deposits have been given.
- Disclosure in respect of leasing arrangements which are non cancellable for a period exceeding 5 years is as under :

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Total of Future minimum lease payment under non-cancellable operating lease for each of the following periods :		
Not later than one year	249.92	152.81
Later than one year and not later than five years	809.51	325.64
later than five years	1168.24	229.41
Lease payment recognised in Statement of Profit & Loss	240.49	218.92

NOTE : 40 EARNING PER SHARE

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Profit for the year (₹ in Lakhs)	17290.40	10119.16
Weighted Avg. Number of shares used in computing Earning per Share		
Basic & Diluted	256742040	256742040
Earning per Share (Equity Shares, face value ₹ 10/-)		
Basic & Diluted (in ₹)	6.73	3.94

NOTE : 41 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 CSR activities of the Company are generally being carried out through Adani Foundation a Charitable Trust set up by the Group, whereby funds are allocated from the Company. The Charitable Trust carries out the CSR activities as specified in Schedule VII of the Companies Act, 2013 on behalf of the Company. During the year, Company is required to spend CSR expense of ₹ 283.20 Lakhs (P.Y ₹ 228.52 Lakhs) as per requirement of Section 135 of Companies Act, 2013 and had spent ₹ 283.20 Lakhs (P.Y ₹ 228.52 Lakhs) for the year.

Particulars	Amount Contributed	Amount yet to be contributed	Total
a) Construction/acquisition of any assets	-	-	-
b) On purpose other than (a) above	283.20	-	283.20
Total	283.20	-	283.20

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

NOTE : 42 DISCLOSURES IN RESPECT OF EMPLOYEE BENEFIT OBLIGATIONS

(a) Defined Benefit Obligations :

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

(₹ in Lakhs)		
Particulars	As at 31.03.2018	As at 31.03.2017
i) Change in Present Value of the defined benefit obligation		
Defined benefit obligation as at the beginning of period	559.91	418.37
Current Service Cost	62.01	55.60
Interest cost	42.52	33.03
Actuarial loss/(gain) - Due to change in Demographic Assumptions	1.56	-
Actuarial loss/(gain) - Due to change in Financial Assumptions	(13.98)	18.34
Actuarial loss/(gain) - Due to experience	(6.10)	36.73
Acquisition Adjustment	(0.34)	1.14
Benefit paid	(10.42)	(3.28)
Defined benefit obligation as at end of the period	635.16	559.91
ii) Change in Fair Value of Plan Assets		
Fair value of plan assets as at the beginning of period	303.73	250.58
Expected return on plan assets	23.07	19.78
Employer's Contributions	64.67	29.70
Actuarial (loss)/gain	0.07	4.13
Benefit paid	(10.42)	(0.45)
Fair value of plan assets as at end of the period	381.13	303.73
iii) Net Asset / (Liability) recognised in the Balance Sheet		
Present value of defined obligation	635.16	559.91
Fair Value of Plan Assets	381.13	303.73
Net Asset / (Liability)	(254.03)	(256.18)
iv) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:		
Policy of Insurance	100%	100%
v) Expense recognised in the Statement of Profit and Loss		
Current Service Cost	62.01	55.60
Interest cost	42.52	33.03
Expected return on the plan assets	(23.07)	(19.78)
	81.46	68.84
vi) Expense recognised in Other Comprehensive Income		
Actuarial (Gains) / Losses	(6.17)	32.60
Return on plan assets, excluding amount recognised in net interest expense	-	-
	(6.17)	32.60

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

vii) Actuarial Assumptions and Sensitivity Analysis

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

Particulars	As at 31.03.2018	As at 31.03.2017
Discount Rate	7.80%	7.60%
Mortality	IALM(2006-08)	IALM(2006-08)
Turnover Rate	1.00%	2.00%
Rate of Escalation in Salary (p.a.)	8.00%	8.00%

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

Particulars	Increase in assumptions		Decrease in assumptions	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Discount Rate (- / + 1%)	566.47	502.38	717.53	628.71
Salary Growth Rate (- / + 1%)	716.54	627.74	566.00	502.08
Attrition Rate (- / + 1%)	634.36	557.63	636.00	562.48
Mortality Rate (- / + 1%)	635.12	559.85	635.20	559.98

viii) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is ₹ 31,143,620

c) Maturity Profile of Defined Benefit Obligation

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31 March 2017: 12 years). The expected maturity analysis of gratuity benefits is as follows :

Particulars	As at 31.03.2018	As at 31.03.2017
Less than a year	105.36	100.48
Between 2 to 5 years	92.17	61.99
Between 5 to 10 years	204.65	218.28
Beyond 10 years	1,634.49	1,276.65
	2,036.67	1,657.41

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

ix) Risk Exposure and Asset Liability Matching

Through its defined benefit plan of Gratuity, the Company is exposed to its number of risks, viz. asset volatility, changes in return on assets, inflation risks and life expectancy. The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

(b) Defined Benefit Contributions :

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

(c) Other Long Term Employee Benefits :

Other long term employee benefits comprise of compensated absences/leaves, which are recognised based on actuarial valuation. The actuarial liability for compensated absences as at the year ended 31st March, 2018 is ₹ 312.33 Lakhs (31st March 2017: ₹ 327.73 Lakhs).

NOTE : 43 RELATED PARTY TRANSACTIONS

Pursuant to the IND AS - 24 - Related Party Transactions, as prescribed under Companies (Accounting Standard) Rules, 2015 (as amended) the disclosure relating to transactions entered into with related parties at arm's length basis by the Company, as identified by the management are disclosed as under.

i) Name of related parties and description of relationship

A Ultimate Holding Company

Adani Enterprises Ltd.

B Holding Company

Adani Gas Holding Ltd

C Fellow Subsidiaries (With whom transactions done during the year)

Adani Energy Ltd.

D Joint Venture

Indian Oil-Adani Gas Pvt Ltd.

E Common Control Entity

Adani Power Limited

Adani Power Mundra Limited

Adani Foundation

Adani Port SEZ Ltd.

F Key Management Personnel

Mr. Shridhar Tambraparni, Whole time Director (upto 28.02.2018)

Mr. Rajeev Sharma, Whole-time Director (w.e.f. 01.03.2018)

Mr. Naresh Poddar, CFO

Mr. Hardik Sanghvi, Company Secretary

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

ii) Transaction with Related parties

(₹ in Lakhs)

Related Party	Relation	Nature of Transaction	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Adani Enterprises Ltd.	Ultimate Holding Company	Loan Given	-	45,379.91
		Loan Received back	12,615.06	27,500.00
		Loan taken		-
		Transfer of Employee Liabilities from related party	0.24	-
		Loan Repaid	-	-
		Payment of Int on Loan	-	-
		Receipt of Int on Loan	-	3,199.90
		Purchase	921.86	
		Services availed	277.68	335.53
		Sale of PNG	-	-
Adani Energy Ltd.	Fellow Subsidiary	Advances Written Off	189.92	-
Adani Power (Mundra) Ltd.	Common Control Entity	Transfer of Employee Liabilities from related party	0.53	-
Adani Foundation	Common Control Entity	Donation	283.20	228.52
Adani Power Ltd.	Common Control Entity	Transfer of Employee Liabilities from related party	-	4.50
Adani Port & SEZ Ltd.	Common Control Entity	Transfer of Employee Liabilities to related party	1.11	-
Indian Oil-Adani Gas Pvt Ltd.	Joint Venture	Sale of Inventory	13.10	145.89
		Services Rendered	517.27	640.27
		Security Deposit	-	-
		Investment in equity	3,900.00	3,250.00
Rajeev Sharma	Whole Time Director	Remuneration	17.84	-
Shridhar Tambraparni	Whole Time Director	Remuneration	124.64	136.10

- The company is dealing in the CNG sales and PNG sales to the domestic, industrial and commercial consumers. The above related party transaction does not include the transactions of PNG and CNG sales to the related parties in ordinary course of business, as all such transactions are done at Arm's Length Price only.
- As per Para 11(c)(iii) of IND AS-24 "Related Party Disclosures", normal dealings of company with related parties by virtue of public utilities are excluded from the purview of Related Party disclosures.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

iii) Balances with Related Parties

(₹ in Lakhs)

Related Party	Relation	Nature of Transaction	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Adani Enterprises Ltd.	Ultimate Holding Company	Accounts Payable (incl provisions)	362.74	103.35
		Other Current Financial Asset	0.24	-
		Other Non Current Financial Assets	0.36	-
		Other Non Current Assets	65.49	-
		Other Current Assets	200.00	-
		Loans	35,891.02	48,506.09
Adani Power Limited	Common Control Entity	Accounts Payable (incl provisions)	-	4.71
Adani Power (Mundra) Ltd.	Common Control Entity	Other Current Financial Asset	0.53	-
Adani Energy Ltd.	Fellow Subsidiary	Other Non Current Financial Assets	-	189.89
Indian Oil-Adani Gas Pvt Ltd.	Joint Venture	Other Non Current Financial Assets	1,000.00	-
		Other Current Financial Asset	377.06	51.87

- The amounts outstanding are unsecured and will be settled in cash or kind. No guarantees have been given or received. No expense has been recognised in current year or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

All above figures are net of taxes wherever applicable.

NOTE:44 OTHER DISCLOSURE

- The information on Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date, 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.
- In the opinion of the Management and to the best of their knowledge and belief, the value under the head of Current and Non-Current Assets (other than fixed assets and non-current investments), are approximately of the value stated, if realized in the ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- Item of expenditure in Statement of Profit & Loss includes reimbursement to and by the company, as agreed upon between group companies.
- The Company has constructed building and facilities for processing and distribution of natural gas on plots allotted on long term lease by Ahmedabad Municipal Corporation and has paid rent accordingly.
- An amount of ₹ 686.88 Lakhs (P.Y. 1029.31 Lakhs) is standing as CENVAT credit receivable being the difference between the amount of CENVAT credit availed in the books of account on Input, Capital Goods and Input Services and the credit claimed under statutory returns. Out of this, the company has made application to the excise and service tax dept. for availing this credit of ₹ 686.88 Lakhs in statutory returns.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2018

The Fixed Assets/ Expenses of the company is understated to the extent of the CENVAT credit taken by the company and the same will be charged to respective assets / revenue if, the claim of the company for CENVAT credit is not accepted by the department.

- f) Company has given certain refundable deposits as security for the performance of work for ongoing projects to various government authorities. As interest rates are not specified in the contracts, the same will be accounted for in the year in which it is received.
- g) The company is in the process to review and reconcile its liabilities in connection with Retention Deposits, some of which are long outstanding. Effect of the same will be given in the year when the balances will be reconciled.
- h) Security Deposit include amount of ₹ 209.14 Lakhs and interest due thereon of ₹ 179.37 Lakhs are outstanding for a substantial period of time. The company has been actively negotiating for recovery and the management is reasonably confident of recovery against the same.
- i) During the previous year, the company had suspended/ abandoned certain projects on account of denial of permission from the regulatory authority. Accordingly, expenses incurred on those projects had been written off and were reflected under Exceptional item.

j) Value of Stores and Spares consumed:

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
a) Imported	-	-
b) Indigenous	960.92	1,064.10
Total	960.92	1,064.10

NOTE : 45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 10th May, 2018.

NOTE : 46 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been recast, regrouped and rearranged, wherever necessary to confirm to this year's classification. Further the figures have been rounded off to the nearest rupees in Lakhs upto 2 decimal.

The accompanying notes are an integral part of the financial statements

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For SHAH DHANDHARIA & CO.
Chartered Accountants
Firm Registration Number : 118707W

PRAVIN DHANDHARIA
Partner
Membership No. 115490

Place : Ahmedabad
Date : 10.05.2018

For and on behalf of the Board Adani Gas Ltd.

PRANAV ADANI
Director
DIN 00008457

NARESH PODDAR
CFO

Place : Ahmedabad
Date : 10.05.2018

RAJEEV SHARMA
Whole-time Director
DIN 00084188

HARDIK SANGHVI
Company Secretary

Form AOC - 1

Salient features of the financial statement of Subsidiaries / Associate/ Joint Ventures as per Companies Act, 2013 (Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

PART "A" : Subsidiaries

There was no Subsidiary company during the year under review.

PART "B" : Associates and Joint Ventures

(₹ in Mn)

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Extend of holding %	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit /(Loss) for the year	
			No. of Shares	Amount of Investment in Associates/ Joint Ventures					Considered in Consolidation	Not Considered in Consolidation
1	IndianOil-Adani Gas Private Limited	31-Mar-18	124,000,000	12,400.00	50%	Note-A	Note-B	11,948.79	-260.75	-260.75

Note:

- There is significant influence due to percentage (%) of shareholding.
- As per notification dated 14th October, 2014 requirement of consolidation of associate is not applicable.

For and on behalf of the Board of Directors Adani Gas Ltd.

PRANAV ADANI

Director

DIN 00008457

NARESH PODDAR

CFO

RAJEEV SHARMA

Whole-time Director

DIN 00084188

HARDIK SANGHVI

Company Secretary

Place : Ahmedabad

Date : 10.05.2018

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